

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

ORIGINAL

216338



STB Finance Docket No. 34818

CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO –
PETITION FOR DECLARATORY ORDER

REPLY STATEMENT
OF

212 MARIN BOULEVARD, L.L.C., 247 MANILA AVENUE, L.L.C.
280 ERIE STREET, L.L.C., 317 JERSEY AVENUE, L.L.C.,
354 COLES STREET, L.L.C., 389 MONMOUTH STREET, L.L.C.,
415 BRUNSWICK STREET, L.L.C. AND 446 NEWARK AVENUE, L.L.C.

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Due and dated: April 24, 2006

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Intervenors, 212 Marin Boulevard, L.L.C., 247 Manila Avenue, L.L.C., 280 Erie Street, L.L.C., 317 Jersey Avenue, L.L.C., 354 Coles Street, L.L.C., 389 Monmouth Street, L.L.C., 415 Brunswick Street, LLC and 446 Newark Avenue, L.L.C. (hereinafter collectively referred to as "Intervenors"), pursuant to 49 C.F.R. 1104.13, hereby reply to the Opening Statement of the Petitioners, City of Jersey City, Rails to Trails Conservancy, Pennsylvania Railroad Harsimus Stem Embankment Preservation Coalition and New Jersey State Assemblyman Louis M. Manzo (hereinafter collectively referred to as "Jersey City"), filed March 10, 2006. Intervenors offer as testimony the attached verified statements of Mr. James W. McClellan, Mr. Richard B. Hasselman, John D. Heffner, Esq., Mr. Victor Hand and Mr. William F. Wulforth and rely upon the following arguments and referenced exhibits:

I.

INTRODUCTION

Intervenors in 2005 bought from Consolidated Rail Corporation ("Conrail") eight parcels of land along 6th Street in the City of Jersey City, New Jersey, to be developed for residential housing. The properties were segments of what once had been the Harsimus Branch of the United New Jersey Railroad and Canal Company, leased in 1871 to the Pennsylvania Railroad Company for a period of 999 years. The entire length of the original Harsimus Branch is less than one and half miles, extending from Station 0+0 (Milepost 0.0) at Waldo Avenue in Jersey City eastward along 6th Street to the end of Hudson River piers formerly used for cross-harbor car-float operations at Station 78+03 (Milepost 1.48). To avoid confusion in our discussions of track designated as the "Harsimus Branch" in the Final System Plan, we hereinafter shall refer to the right-of-way along 6th Street as the 6th Street Embankment. The parcels purchased by the Intervenors lie between Milepost 0.18 west of Division Street and Milepost 0.88 at Luis Munoz Martin Boulevard, formerly Henderson Street, and are segments of the 6th Street Embankment.

The tracks of the 6th Street Embankment were not designated to be operated by Conrail as a railroad line, pursuant to the Final System Plan promulgated by the United States Railway Association ("USRA"). Rather, as is relevant to this proceeding, the Final System Plan designated a segment of the Main Line of the United New Jersey Railroad and Canal Company, called the Passaic and Harsimus Line by its lessee, the Pennsylvania Railroad Company, from Milepost 1.0 in Jersey City, through Journal Square and Marion Junction to Milepost 7.0 in Harrison. The designation to Conrail, identified as Line Code No. 1420, provided for the conveyance, except as otherwise specified, of all appurtenant spur, switching, yard and other

excepted tracks, as well as related rail properties potentially useful to Conrail in its operations. Accordingly, the 6th Street Embankment parcels purchased by the Intervenor were deeded to Conrail not as a "line of railroad" but as excepted track "appurtenant to" the six-mile line of railroad which was designated as a railroad line by Line Code No 1420.

The City of Jersey City does not contend – and there is nothing to suggest – that after the Final System Plan was published by the USRA on July 26, 1975, the City of Jersey City sought to have USRA revise its Final System Plan to have the 6th Street Embankment designated as a railroad line to be operated by Conrail or even to have the status of the 6th Street Embankment as ancillary track changed. USRA's Errata of the Final System Plan, dated December 1, 1995, designated a portion of the Harsimus Cove Yard to be conveyed by the United New Jersey Railroad and Canal Company to be operated as a yard by Conrail, but it included not a word about the 6th Street Embankment.

The Interstate Commerce Commission ("ICC") was given 30 days to review the Final System Plan. The City of Jersey City does not allege – and there is nothing to suggest – that it asked the ICC to recommend that the 6th Street Embankment be designated as a line of railroad to be operated by Conrail or that its status as excepted track be altered.

The Final System Plan thereafter was reviewed by the Congress before any conveyances were ordered by the Special Court, Regional Rail Reorganization Act of 1973. The City of Jersey City does not contend – and there is nothing to suggest – that it asked the New Jersey Congressional delegation to have the 6th Street Embankment designated as a railroad line to be operated by Conrail or to have the status of the 6th Street Embankment as ancillary track revised. Congress ratified USRA's Final System Plan without any mention of the 6th Street Embankment.

The conveyances of the properties of the estates of the eight bankrupt railroads came within the jurisdiction of the Special Court, Regional Rail Reorganization Act of 1973. The City of Jersey City does not contend – and there is nothing to suggest – that the City of Jersey City at any time applied to the Special Court to amend the Final System Plan and to have the 6th Street Embankment operated as a line of railroad by Conrail or to have the court rescind the status of the 6th Street Embankment as excepted track. The Special Court's Order of March 25, 1976, ordering the conveyance of the bankrupt railroads' properties to Conrail, included the 6th Street Embankment together with all of the other properties potentially useful to Conrail's operation of the designated six-mile section of the Main Line of the United New Jersey Railroad and Canal Company between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison.

The City of Jersey City therefore has known – or should have known – for no fewer than thirty years that the 6th Street Embankment simply was spur, switching, yard or other excepted track which could be abandoned by Conrail and sold as realty at the discretion of the railroad. Nothing in the intervening years indicates that the City of Jersey City entertained any other illusions about the 6th Street Embankment.

The City of Jersey City was well aware of the sale by Conrail of its Waldo Avenue Yard to the Port Authority Trans-Hudson ("PATH") Tubes, resulting in the cutting off of effective railroad access to the 6th Street Embankment.¹ The City of Jersey City encouraged and assisted Conrail in the removal of the steel bridges over the city streets along the 6th Street Embankment. Conrail at the same time also removed all rails and ties, thus making the 6th Street Embankment

¹ The Harsimus Branch was further rendered inaccessible by the abandonment of the River Line, approved by Decision of the Board in STB Docket No. AB-167 (Sub-No. 1067N), Conrail Abandonment of the River Line–In Hudson County, served January 17, 2002.

less of an attractive nuisance than it had come to be.

Thus, for more than ten years there has been no railroad service on the 6th Street Embankment and not even the means for rendering railroad operations on it.

Indeed, the City of Jersey City itself negotiated with Conrail to buy the very segments of the 6th Street Embankment which Intervenors ultimately bought.

Jersey City's contention that the eight parcels of the 6th Street Embankment which the Intervenors purchased from Conrail are an active line of railroad which last year could not be sold by Conrail to the Intervenors without this Board's advance abandonment authorization is nothing more than an eleventh hour contrivance to try to nullify the Intervenors' purchase of the properties. The assertion is so patently absurd that the Board should recognize the bogus argument for what it is and declare the sales to the Intervenors to have been properly effected.

II.

ARGUMENT

A.

USRA's Final System Plan is dispositive.

Jersey City premises its belated and concocted contention about the status of what remains of the 6th Street Embankment upon the property's history. Indeed, the principal document which Jersey City offered in support of its Petition for Declaratory Order, filed January 12, 2006, was the Mr. Richard James' 1999 "The Pennsylvania Railroad Harsimus Branch Embankment." As well researched and absorbingly written as the paper may have been, it is wholly irrelevant to a determination of whether the 6th Street Embankment was designated by

USRA's Final System Plan as a line of railroad to be operated by Conrail. It is beyond dispute that, as long as the Harsimus Cove Yard was a site for the Pennsylvania Railroad Company's cross-harbor float operations,² the 6th Street Embankment was part of a line of railroad which connected Jersey City with Manhattan or Brooklyn.³ Moreover, if the 6th Street Embankment had continued to be leased and operated by the Pennsylvania Railroad Company,⁴ it yet might have been deemed to be a railroad line notwithstanding that in the meantime business had declined to the point that the 6th Street Embankment acquired the characteristics of a spur, switching, yard or other excepted track.⁵ As the ICC said in Chelsea Property Owners-Aban.-The Consol R. Corp., *supra*, 8 I.C.C.2d at 790-91:

Given the Highline's history as a regulated rail line, we continue to have jurisdiction over it, even though the track in question now possesses many of the characteristics of a spur.

* * *

The Highline was concededly a rail line subject to our jurisdiction during its most

² Secretary of Agriculture v. United States, 347 U.S. 645 (1954), *vacating and remanding*, Unloading Charges, Fruits and Vegetables, N.Y. and Phila., 272 I.C.C. 648 (1948), *modified*, 286 I.C.C. 119 (1952); Susquehanna Coal Co. v. Mayor and City Council of the City of South Amboy, et al., 228 U.S. 665 (1913).

³ Similarly, the Pennsylvania Railroad's 1944 Freight Connections, Appendix XII to Jersey City's Opening Statement, and the railroad's 1955 "Man O'War" Chicago to Harsimus Cove timetable, Appendix XIII, are of possible historical interest but wholly irrelevant to a determination of the 6th Street Embankment's status since 1975.

⁴ The Pennsylvania Railroad Company in 1968 merged with the New York Central Railroad Company to form the Penn Central Transportation Company.

⁵ Chelsea Property Owners-Aban.-- The Consol. R. Corp., 8 I.C.C.2d 773 (1992), *aff'd sub nom*, Consolidated Rail Corp. v. I.C.C., 29 F.3d 706 (D.C. Cir. 1994); Clinchfield Railroad Co Abandonment, 295 I.C.C. 41 (1955); Oregon Short Line R. Co. Abandonment, 267 I.C.C. 633 (1947); Old Colony Railroad Co., et al., Trustees Abandonment, 224 I.C.C. 681 (1938).

recent operations, and we find that our jurisdiction over the line notwithstanding Conrail's prolonged cessation of operation.

At pages 23 and 29-32 of its Opening Statement, Jersey City places great reliance upon – even claims to be controlling – the ICC's decision in the Highline proceeding. The agency's decision, however, is inapposite. USRA's Final System Plan designated the Penn Central Transportation Company's West 30th Street Secondary as far as Bank Street in the Chelsea area of Manhattan to be operated by Conrail as a line of railroad, pursuant to Line Code No. 4235. See, attached Exhibit A. Accordingly, the Highline lawfully could not be abandoned by Conrail absent the advance authorization of the ICC.

In sharp contrast to the ICC's decision in the Highline proceeding, the Board in its Decision in STB Finance Docket No. 34618, East Penn Railway, Inc.–Modified Rail Certificate, served December 21, 2004, observed, “The Octoraro Branch was not included in the final system plan at the time Consolidated Rail Corporation was formed and, as such, was authorized to be abandoned without further regulatory approvals pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210. Similarly in STB Finance Docket No. 34369, Morristown & Erie Railway, Inc.–Modified Rail Certificate, served July 24, 2003, held, “The Octoraro Branch was not included in the final system plan at the time the Consolidated Rail Corporation was formed and, as such, was authorized to be abandoned without further regulatory approval pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210.” Again, the Board in its Decision in STB Finance Docket No. 33722, Brandywine Valley Railroad Company–Modified Rail Certificate, served April 16, 1999, declared, “The [subject] lines were not included in the final system plan at the time the Consolidated Rail

Corporation was formed and, as such, were authorized to be abandoned without further approval of the Interstate Commerce Commission (ICC) pursuant to the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. No. 94-210.”

So, too, the 6th Street Embankment was not included in the Final System Plan as a line to be operated by Conrail and, therefore, was authorized to be abandoned without further regulatory approval of the ICC or this Board. That is particularly true of the eight parcels comprising the 6th Street Embankment, between Milepost 0.18 west of Division street and Milepost 0.88 at Luis Munoz Marin Boulevard, formerly Henderson Street, purchased in 2005 by the Intervenor. A map of the eight-block area is attached as Exhibit B The United New Jersey Railroad and Canal Company line designated to be operated as a railroad line by Conrail by USRA’s Line Code No. 1420 was its Main Line, from Milepost 1.0 in Jersey City through Journal Square and Marion Junction to Milepost 7.0 in Harrison. Accordingly, Conrail’s abandonment of the 6th Street Embankment and its sale of the eight parcels to the Intervenor without the advance abandonment authorization of this Board were altogether proper and fitting.

B.

USRA designated for Conrail’s operation only those lines expected to be viable.

The bankruptcy of the Penn Central Transportation Company and the seven other railroads in the Northeast was deemed to be beyond the capacity of the bankruptcy courts to deal with and led to the enactment of the Regional Rail Reorganization Act of 1973.⁶ As the Conference Report, House Report No. 94-7, February 10, 1975, approving the Regional Rail

⁶ Pub. L. 93-236, 87 Stat. 985, January 2, 1974, amended by the Railroad Revitalization and Regulatory Reform Act of 1976, Pub. L. 94-210, 90 Stat. 31, February 5, 1976, 45 U.S.C. 701, et seq.

Reorganization Amendments, Pub. L. 94-5, 89 Stat. 7, February 28, 1975, to provide additional funding for the estates of the eight bankrupt railroads, noted:

The Regional Rail reorganization Act of 1973 was designed to supplement section 7 of the Bankruptcy Act (11 U.S.C. 204) and to provide a means of reorganizing a number of rail carriers in the region into a profitable system. The Congress realized that existing bankruptcy statutes were inadequate to deal with multiple rail bankruptcies. No one Federal judge could coordinate with others to plan a single network of rails carriers. Thus the 1973 Act provided Federal assistance and several new Federal agencies to coordinate the planning and implementation of a new rail system. The Committee envisaged a new for-profit railroad, Consolidated Rail Corporation, merged from at least six of the then eight bankrupt carriers [pages 3-4, reproduced at 1975 U.S. Cong. & Adm. News 35].

In upholding the constitutionality of the Act, the Supreme Court in Blanchette v. Connecticut General Insurance Corp., 419 U.S. 102, 109 (1974), declared, "Congress concluded that solution of the crisis required reorganization of the railroads, stripped of excess facilities, into a single, viable system operated by a private for-profit corporation."

USRA was established as a new government corporation charged with the task of preparing a Final System Plan for restructuring the railroads in reorganization into a financially self-sustaining rail system, which became Conrail. The first and foremost goal of the Final System Plan was "the creation, through the process of reorganization, of a financially self-sustaining rail and express service system in the region." 45 U.S.C. 716(a).

In short, USRA looked at the railroad system in the Northeast as it then existed and designated those railroad lines which were anticipated to be viable for operation by Conrail and those which could be useful for railroad operations in the area if subsidized by public bodies or shippers. It mattered not whether a property previously may have been a thriving railroad line. If the staff and the Board of USRA viewed it as not warranting designation for operation as a

railroad line by Conrail or subsidization by public bodies or shippers, it was not included in the Final System Plan

Testifying before the House Committee on Interstate and Foreign Commerce at a Hearing on Emergency Assistance to Northeast Railroads, on February 4, 1975, USRA Chairman Arthur D. Lewis explained:

Our basic formulas are to attempt to determine which of the branch lines develop incremental cash costs, and if they don't do that, then we believe that constitutes a test of viability. And we are currently dealing with the extent to which lines are brought into this system that do not meet what we would consider that test.

In his foreword to the Final System Plan, Chairman Lewis again emphasized:

Among the most sensitive issues raised during the planning process was that of light density or branch lines. The Act and its legislative history clearly obligated the Association to test the contribution of those lines to the regional system.

* * *

The Association strongly believes that the FSP presents an adequate, efficient and economically self-sustaining rail system consistent with the goals of the Act. Not all interests will be satisfied by this plan. Testimony of public witnesses at the [Rail Service Planning Office] hearing on the [Preliminary System Plan] demonstrate the difficulty of balancing certain goals against the others. It would be impossible to meet all claims and demands on the rail system in the Region and unwise to give disproportionate attention to any single set of claims at the expense of other interest. The Association believes that the FSP detailed in this report is a fair and reasonable resolution of the purposes and goals of the Act. Most important USRA believes the FSP is desirable from the perspective of overall transportation policy.

USRA's Vice President in charge of the Office of Strategic Planning was Mr. James W. McClellan. At pages 2-3 of his Verified Statement, attached as Exhibit C, Mr. McClellan explains:

[I]t fell to me and the personnel working with me to study the vast array of lines

that Penn Central and the seven other bankrupt railroads had been operating and establish the standards for trimming the system of unprofitable or marginally profitable properties so that Conrail would be charged with operating only those railroad lines that would enable it to be a self-sustaining enterprise.

It is important to understand the basic mandate of USRA. The primary goal, on the one hand, was to create a viable rail system, as I already explained. To be viable, however, the new system would need access to any and all viable sources of traffic. But viability could not be divorced from the resources needed to serve the traffic. So it was a balancing act; convey those assets to Conrail that would create a viable system and leave the remaining assets with the estates of the bankrupt railroads.

In the view of USRA, the 6th Street Embankment simply did not satisfy the standard of viability which had to be met to have a railroad line designated to be operated by Conrail. What had made the 6th Street Embankment a segment of a railroad line was its participation in the movement of freight from Jersey City to Manhattan or Brooklyn via the cross-harbor car floats from the Harsimus Cove Yard. By the time that USRA was considering which light-density lines or branches would be self-sustaining, however, the car-float operations at the Harsimus Cove Yard had ceased. As USRA noted at pages 360-63 of its Preliminary System Plan, attached as Exhibit D, the Penn Central Transportation Company had transferred both its car-float and lighterage services to its Greenville terminal south of the City of Jersey City. None was being performed at the Harsimus Cove Yard.

Mr. Richard B. Hasselman was Vice President - Transportation of the Penn Central Transportation Company, and, after its properties were conveyed to Conrail, Mr. Hasselman was named Senior Vice President - Operations of Conrail, responsible for overseeing the railroad's entire operations, engineering and maintenance, and he continued in that position until he retired at the end of 1989. Mr. Hasselman's Verified Statement is attached as Exhibit E. At pages 2-3

of his Verified Statement, Mr. Hasselman states:

By the early 1970's, Penn Central made little use of the Harsimus Branch. There were no shippers located along the elevated Harsimus Embankment and no more than two or three shippers remained in the entire Harsimus Cove Yard area. They received occasional, on demand service from Penn Central, rather than scheduled service. The car-float operations which the Pennsylvania Railroad had conducted from the Harsimus Cove Yard had transferred to Greenville, NJ. No station was on the Harsimus Branch, which was simply a dead-ended spur track.

The Harsimus Branch was used only as "headroom" maneuvering trains between the "River Line" (which led south from Albany, NY) or the "Southern Tier Line" from Port Jervis and "Meadows Yard" in Jersey City.⁷

The lack of sufficient traffic on the 6th Street Embankment in the early 1970's was echoed by Mr. William F. Wulfhorst, who for three months was detailed by the Penn Central Transportation Company to assist Mr. McClellan and the planning staff of USRA. Mr. Wulfhorst's Verified Statement is attached as Exhibit F. At pages 3, Mr. Wulfhorst declares:

I recall discussing the Harsimus Branch. By then the car float operations had ceased, and the float bridges had been removed, as had the overhead wires which permitted the use of the electricity-powered locomotives which the Penn Central Transportation Company largely used in the Northeast. Little traffic moved through the Harsimus Cove Yard. In fact, the Harsimus Branch tracks stub-ended about where the Yard Office was located. It was my opinion that there just wasn't enough traffic being handled or revenue earned to justify designating the Harsimus Branch as a line of railroad to be operated by Conrail, and I recommended that the Final System Plan not include it.

Mr. McClellan, at page 5 of his Verified Statement concludes:

I am almost certain I did not look at any data pertaining to traffic handled by Penn Central on the tracks between what had been Waldo Avenue Yard and what had been Harsimus Cove Yard in Jersey City, NJ, which, I am advised, were designated in the Final System Plan as neither a line of railroad to be operated by Conrail nor a light-density line eligible for subsidization by a public body or

⁷ The use of the 6th Street Embankment for maneuvering intermodal trains headed for Marion Junction was described in the first paragraph of the February 14, 1992, memorandum included in Appendix II to Jersey City's Opening Statement.

shippers. If the tracks nevertheless were conveyed to Conrail by the estate of their prior owner, they were Conrail's to do with as it wished. They could be used as spur tracks, industry tracks, yard tracks or other excepted tracks. They, however, were not required to be operated by Conrail as an active line of railroad, because in our judgment the volume of traffic and the revenue it generated did not warrant their continued operation as an active line of railroad

The result of the trimming of potentially unprofitable railroad lines resulted in Conrail's being designated to operate only 4,968 miles of railroad lines of the 10,692 miles of active and 1,191 miles of out-of-service lines which were studied by USRA. As USRA declared at page 5 of vol. II of its Final System Plan, "This means that approximately 6,915 miles of roadway should either be formally abandoned or are available under the rail service continuation subsidy program." The 6th Street Embankment was not designated to be operated as a railroad line by the USRA's Final System Plan. It was among the nearly 7,000 miles of railroad lines which could be abandoned if not subsidized.⁸

Jersey City, however, maintains that Line Code No. 1420 of USRA's Final System Plan designated the 6th Street Embankment to be operated by Conrail as an active line of railroad. Jersey City's argument completely ignores the milepost designations of the 6th Street Embankment as set forth in USRA's Final System Plan. The line designated to be operated as a railroad line by Conrail was the six-mile section of the former Main Line of the United New Jersey Railroad and Canal Company, which had been renamed the Passaic and Harsimus Line by the Pennsylvania Railroad Company, extending between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison. The Main Line continued across the Passaic River into Essex County and the connection with what had been the Pennsylvania Railroad Company's main line near

⁸ Jersey City does not allege and there is nothing to indicate that anyone subsidized continued railroad service on the 6th Street Embankment.

Newark. The Pennsylvania Railroad Company called the former Main Line of the United New Jersey Railroad and Canal Company the "Passaic and Harsimus Line," to distinguish it from its own main line between Philadelphia and New York, in the meantime conveyed to Amtrak as the core line of its Northeast Corridor.⁹ Attached as Exhibit G is the Wikipedia description of the Passaic and Harsimus Line, and, as Exhibit H, a January 15, 1998, Conrail timetable of the six-mile segment designated by USRA's Final System Plan to be operated by Conrail as a railroad line. In other words, it was not Conrail which reclassified the 6th Street Embankment as excepted track and, hence, exempt from the ICC and Board's abandonment jurisdiction, as Jersey City argues, at page 26 of its Opening Statement: it was USRA. The 6th Street Embankment was classified as excepted track by USRA's Final System Plan when it was not designated as a line of railroad to be operated by Conrail, in contrast to the six-mile segment of the United New Jersey and Canal Company's Main Line which USRA had designated to be operated as a line of railroad by Conrail.

Mr Hasselman, at pages 3-4 of his Verified Statement, explains how the drafters of the Final System Plan might easily have been mistaken in referring to the Passaic and Harsimus Line as the "Harsimus Branch."

There might be some confusion about what line was conveyed to Conrail pursuant to the Final System Plan. Penn Central did operate a line called the "Passaic and Harsimus Line". That line ran from Waldo Avenue Yard in Jersey City in a westerly direction through Journal Square, Marion Junction and Newark to a connection at "Lane" west of Newark with the Pennsylvania Railroad's main line to Philadelphia. That "Passaic and Harsimus Line" generally paralleled Amtrak's Northeast Corridor Line and was used by Penn Central as the access route between its yards in the Kearny and Newark Meadows and Amtrak's Northeast Corridor Line. It is clear to me that it was that Passaic and Harsimus

⁹ See, pages 38-43 of vol. I of the Final System Plan.

Line, unlike the Harsimus Branch, which was conveyed to Conrail to be operated by it as a line of railroad pursuant to the Final System Plan.¹⁰

The 6th Street Embankment was not a part of the Main Line of the United New Jersey Railroad and Canal Company. Rather, the 6th Street Embankment veered to the east off the Main Line at Waldo Avenue (Station 0+00), crossed Henderson Street, currently called Luis Munoz Marin Boulevard (Station 46+90), as shown on map V-1.01, ST-1, and terminated at the modified pier head line (Station 78+03), as shown on map V-1.101, ST-2. Copies of the United New Jersey Railroad and Canal Company maps in question were secured from the records of the Special Court, Regional Rail Reorganization Act of 1973, forwarded to, and maintained at, the National Archives in College Park, MD, and are attached to the Verified Statement of John D. Heffner, Esq., attached as Exhibit K. As Mr. Heffner explains, the valuation-like maps show the station numbers of the portrayed tracks. Station numbers are measured in feet, and, thus, one can determine by mathematical calculation that the 6th Street Embankment ran from MP 0.0 at Waldo Avenue, across Henderson Street, at MP 0.88 , and ended at the Hudson River piers at MP 1.48¹¹. That the 6th Street Embankment began at Waldo Avenue and terminated at the Hudson River is confirmed by the Pennsylvania Railroad Company's 1942 and 1954 Record of Transportation Lines, attached as Appendices X and XI to Jersey City's Opening Statement, which described the Harsimus Branch as extending from "Jersey City, junction with Main Line, at centre [sic] of

¹⁰ Mr. Hasselman's recollection that the Passaic and Harsimus Line extended between CP Waldo, Milepost 0.0, and Lane, Milepost 9.3, is confirmed by Conrail's General Order No. 1, attached as Exhibit I, and Conrail's Timetable No. 11, attached as Exhibit J.

¹¹ "Station" refers to the ICC chaining stations that measured railroad rights-of-way in feet. Mileposts can be calculated by dividing the Station number by 5,280, the number of feet in a mile. For example, Station 78+03 represents 7,803 feet or 1.48 miles (7,803 divided by 5,280).

Waldo Ave. O. H. Bridge, east of Journal Square Passenger Station, to Hudson River, at Harsimus Cove, N.J.” The overall length of the 6th Street Embankment – 1.48 miles – is also the approximate length as reported in these documents. Id.

That milepost designations of the 6th Street Embankment ascended from west to east is further confirmed by the May 11, 1992, letter from Mr. F. D. Day of Conrail to Mr. Michael J. Regan of the City of Jersey City, included in Appendix II to Jersey City’s Opening Statement. Responding to the City’s demand that the 6th Street Embankment bridges be inspected because they posed a hazard to pedestrian and vehicular traffic, Conrail reported that it had inspected the bridges at Brunswick Avenue, Milepost 0.36, Monmouth Street, Milepost 0.44, Coles Street, Milepost 0.53, Jersey Street, Milepost 0.62, Erie Street, Milepost 0.71, Manila Street, Milepost 0.80, and Marin Boulevard, Milepost 0.88

The National Archives maps and the statement of Conrail’s System Engineer make a mockery of Jersey City’s assertion, at pages 1, 16 and 36 of its Opening Statement, that the 6th Street Embankment extends “from about Milepost 1.3 near Luis Munoz Boulevard (formerly known as ‘Henderson Street’) in Jersey City to about Milepost 2.54 near Waldo Avenue. . . .” The assertion is a transparent by attempt by Jersey City to try to bring the 6th Street Embankment within the six-mile segment of the United New Jersey Railroad and Canal Company’s Main Line designated by the USRA’s Final System Plan to be operated as a line of railroad by Conrail. First, the starting point of “Milepost 1.3” is wholly unsupported in any document produced in this proceeding, although Jersey City’s Opening Statement, at page 16, falsely claims that it is supported by the 1965, 1976, 1977 and 1980 track and maintenance charts. At page 2 of its Opening Statement, at note 1, Jersey City describes its “Milepost 1.3” as the result of an

unexplained "geographic call." Second, Jersey City's mileage figure yields the anomalous result that 0.88 miles of track (from Waldo Avenue at Station 0+00 to Henderson Street at Station 46+90) was inexplicably described as being 1.24 miles of track (MP 2.54 minus MP 1.3).

Jersey City's effort, however, is without probative evidentiary support. Indeed, the post-conveyance Conrail maintenance and track charts, reproduced in Appendix IX of Jersey City's Opening Statement, upon which Jersey City evidently relies to support its assertion, at pages 16-18 of its Opening Statement, fail to support Jersey City's contention and, in fact, underscore that the properties purchased by the Intervenors lie between Milepost 0.18 west of Division Street and Milepost 0.88 at Henderson Street. The intervening cross streets and their milepost designations, Brunswick Street at Milepost 0.36, Monmouth Street at Milepost 0.44, Coles Street at Milepost 0.53, Jersey Street at Milepost 0.62, Erie Street at Milepost 0.71 and Grove Street at Milepost 0.80 appear on the maintenance and track charts as they do on the United New Jersey Railroad and Canal Company maps used by the Special Court and currently retained at the National Archives See, Exhibit L..

At pages 25-28 of its Opening Statement, citing the Verified Statement of John J. Curley, Esq.,¹² Appendix XV to its Opening Statement, Jersey City argues that the 6th Street Embankment was designated by USRA's Final System Plan to be operated by Conrail as a line of railroad, because the deed conveying the Line Code No.1420 properties from the United New

¹² Mr. Curley cannot be deemed to be an expert witness, as Jersey City endeavors to portray him, at pages 15 and 25 of its Opening Statement. As Mr. Curley has the candor to acknowledge, in paragraph 2 on page 1 of his Verified Statement, attached as Appendix XV to Jersey City's Opening Statement, Mr. Curley long has represented the City of Jersey City and its Historic Preservation Commission in litigation tied to wresting the 6th Street Embankment from Conrail and, thereafter, from the Intervenors.

Jersey Railroad and Canal Company to Conrail conveyed the line which “originates in [Hudson] County at Harsimus Cove, passes through Journal Square, and terminates in the County near the junction with the Penn Central New York-Philadelphia Main Line-west of the New Jersey Turnpike Overhead Bridge.” Although, at page 25 of its Opening Statement, Jersey City argues to the contrary, the description of the properties conveyed by the deed, however, is not coextensive with the designation of the line to be operated by Conrail as an active line of railroad. In addition to the six-mile segment of the Main Line between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison, the deed conveyed all other “assets or rights owned, leased, or otherwise controlled by [the bankrupt] railroad . . . which are used or useful in rail transportation service.” 45 U.S.C. 702(14). At page 241-42 of vol. 1 of its Final System Plan, USRA explains that the railroad lines designated to be operated by Conrail and conveyed to Conrail by the estates of the bankrupt railroads were to include “all rail properties (as defined in section 102(10) of the [3R] Act) connected with, controlling or in any way pertaining to or used or usable by [Conrail] including, but not limited to, minerals and mineral rights, franchises, permits, certificates of convenience and necessity, connecting spur and storage tracks, land, grading, tunnels and subways, bridges, trestles and culverts, elevated structures, ties, rails, engineering supplies, and other track material, ballast, fences, snowsheds and signs, communication systems, signals and interplant machinery, powerplants, power transmission systems, and power plant machinery, whether in place, on order or not yet installed [footnotes omitted; underscoring added for emphasis].” That included the 6th Street Embankment and Harsimus Cove Yard at the east end and the segment of the United New Jersey Railroad and Canal Company’s Main Line between Milepost 7.0 and the Hudson County/Essex County boundary at the west end.

Mr. Victor Hand was USRA's Director - Facilities Planning, who managed the conveyance process, which culminated on April 1, 1976, with the filing of over 450 deeds conveying properties to Conrail and other entities. At page 3 of his Verified Statement, attached as Exhibit M, Mr. Hand explains:

USRA was faced with the necessity to fully describe the property being conveyed, but it was important that no critical piece of property be omitted, since the railroad had to be able to operate on the day after conveyance. For this reason a rather novel form of deed was chosen by USRA involving "negative conveyances." These deed conveyed all of the property in, under, above, along, contiguous to, adjacent to or connecting to the subject line of railroad or facility that was owned by the transferor in the particular political jurisdiction. The deeds then went on to except certain parcels of property from conveyance, which were marked on specifically prepared valuation maps that were made part of the deed. The net effect of this process was that everything owned by the transferors was conveyed unless it was specifically excepted on the maps. If there were railroad lines or facilities designated to be operated by Conrail or another railroad pursuant to the Final System Plan which included no parcels of real estate which the conveying estate of a bankrupt railroad had a right to retain, no map of that railroad line was attached to the deed or recorded.

In other words, the 6th Street Embankment was conveyed to Conrail, along with other properties of the United New Jersey Railroad and Canal Company associated with the six-mile segment of its Main Line, between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison designated by USRA's Final System Plan for operation as a line of railroad by Conrail. As conveyed to Conrail, however, the 6th Street Embankment was nothing other than spur, switching, yard or other excepted track.¹³

C.

¹³ Jersey City's lengthy discussion of the Northeast Rail Service Act of 1981 and of the two-year out-of-service exemption of 49 C.F.R. 1152.50, at pages 26-27 of its Opening Statement, is altogether irrelevant, because, pursuant to 49 U.S.C. 10906, no advance authorization from the ICC or this Board was required for the abandonment of the spur, switching yard or other excepted track which the 6th Street Embankment had become.

Jersey City acquiesced in the 6th Street Embankment's abandonment.

The Final System Plan, published by USRA on July 26, 1975, was very explicit in its designation of the line to be operated by Conrail as extending between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison. If the City of Jersey City thought that was in error and that the Final System Plan also should have designated the tracks between Milepost 0.0 at Waldo Avenue and Milepost 1.47 at the Harsimus Cove Yard piers to be operated as a railroad line by Conrail, it could have asked USRA to make that correction. The City of Jersey City does not allege – and there is nothing to suggest – that the City of Jersey City asked USRA to revise its Final System Plan to designate the 6th Street Embankment as a railroad line to be operated by Conrail or to revise the status of the 6th Street Embankment as mere spur, switching, yard or other excepted track. USRA's Errata was not published until December 1, 1975, and, while it ordered the conveyance of a portion of the United New Jersey Railroad and Canal Company's Harsimus Cove Yard to be operated by Conrail, the Errata did not mention the 6th Street Embankment..

The ICC, pursuant to 45 U.S.C. 717(d), had 30 days to review USRA's Final System Plan. The City of Jersey City does not contend – and there is nothing to suggest – that the City of Jersey City asked the ICC to recommend that the 6th Street Embankment be designated as a line of railroad to be operated by Conrail or to have its status as excepted track altered.

Pursuant to 45 U.S.C. 718, the Final System Plan was subject to further review by the Congress, which could remand it to USRA if either the House of Representatives or the Senate passed a resolution of disapproval. The City of Jersey City does not allege – and there is nothing to suggest – that the City of Jersey City asked the New Jersey Congressional delegation to seek a resolution of disapproval because the 6th Street Embankment was not designated as a line of

railroad to be operated by Conrail, and neither house of the Congress passed such a resolution of disapproval.

The Special Court, Regional Rail Reorganization Act of 1973, pursuant to 45 U.S.C.. 719(e)(2), was authorized "to interpret, alter, amend, modify, or implement any of the [conveyancing] ordered entered by such court pursuant to section 743(b) of this title in order to effect the purposes of this chapter or the goals of the final system plan."¹⁴ The City of Jersey City does not maintain –and there is nothing to suggest – that the City of Jersey City petitioned the Special Court to amend USRA's Final System Plan to include the 6th Street Embankment as a railroad line to be operated by Conrail or to change the status of the 6th Street Embankment as mere spur, switching, yard or other excepted track.

In short, the City of Jersey City availed itself of none of the remedies available to it to have the 6th Street Embankment declared a line of railroad to be operated by Conrail pursuant to USRA's Final System Plan. It evidently, was content that its status was that of spur, switching, yard or other excepted track.

In fact, Conrail operated the 6th Street Embankment as yard track, as had the Penn Central Railroad Company before it. At page 5 of his Verified Statement, attached as Exhibit M, Mr. Victor Hand states:

Early in my railroad career I was employed as a brakeman on the New Jersey Division of the Penn Central Transportation Company. While so employed I served on several occasions as a member of a crew operating a freight train into the Harsimus Cove Yards. These trains used the Passaic and Harsimus Branch between Wavely Yard in Newark and CP Waldo at Waldo Avenue in Jersey City. This line was controlled by automatic block signals and interlockings controlled

¹⁴ See, Consolidated Rail Corporation v. Pittsburgh and Lake Erie Railroad Company, 459 F. Supp. 1013 (Special Court, Regional Rail Reorganization Act 1978).

by the Dispatcher. East of CP Waldo, these trains were on yard trackage controlled by the Yardmaster at Harsimus Cove.

Mr. Hand has attached excerpts from Penn Central Transportation Company Employees Timetable No. 11 for the Eastern and Atlantic Regions, dated May 19, 1974, revised as of August 1, 1976, and Conrail's Atlantic Region Employees Timetable No. 1, dated April 27, 1980. Both are explicit in stating that train control for the Harsimus Cove extended "for westward movement from west end of elevation to Yardmaster's office at east end of elevation."

Even the City of Jersey City treated the 6th Street Embankment as yard track the removal of which required no ICC or Board authorization, pursuant to 49 U.S.C. 10906. Between 1980 and 1985, the City of Jersey City and its Jersey City Redevelopment Agency considered the 6th Street Embankment to be part of the Harsimus Cove Yard properties when they entered into binding Redeveloper Contracts with nationally known real estate development firms, approved numerous tax abatement grants and provided all municipal zoning and building approvals for the construction of the hotels, residential complexes and office buildings which today occupy the waterfront site. The City required Conrail to sell its Harsimus Cove Yard properties to the developers and at no time expressed any concern that the advance abandonment authorization of the ICC had not been secured. It is disingenuous of Jersey City now to claim, as it does at page 36 of its Opening Statement, that "Conrail should have obtained authority from ICC or STB to abandon that portion of the Harsimus Cove facility which was through track . . . as a 'line of railroad.'" The one, as the other, was deemed by the City to be yard track which could be abandoned without the Board's advance authorization.

At pages 5 and 6 of its Opening Statement, Jersey City seeks to make much of the

documents produced by Conrail which state that as late as 1984 seven shippers were served via the 6th Street Embankment, accounting for 3,204 carloads of freight annually. The documents, also, show that the two shippers which accounted for more than half of that traffic had their properties condemned in 1985 and were required to relocate, and the remaining shipper of any size, Colgate Palmolive Corporation, closed its Hudson Street plant in 1988. That the shippers previously were served by Conrail does not alter the fact that the 6th Street Embankment was deemed by Conrail to be yard track feeding the Harsimus Cove Yard area. USRA's Final System Plan left the 6th Street Embankment as excepted track which could be abandoned by Conrail at its discretion.

Conrail has done just that and has abandoned segments of the 6th Street Embankment whenever the properties no longer were needed for transportation use. At pages 6-11 of its Opening Statement, Jersey City acknowledges that, after the line affording a direct connection to Marion Junction was installed in 1994, the 6th Street Embankment bridges, at the urging and with the assistance of the City of Jersey City, were removed by Conrail and one of the developers of the Harsimus Cove Yard properties. Included in Appendix II to Jersey City's Opening Statement, is a copy of the July 15, 1994, notice of the contractor, Burns & Fiorina, Inc., for the City of Jersey City's Construction Permit for the "Removal of abandoned Conrail bridge [underscoring added for emphasis]" of the 6th Street Embankment at Luis Munoz Marin Boulevard. Jersey City did not include in its document production or as attachments to its Opening Statement copies of the Construction Permits which the City of Jersey City granted for the demolition of the other 6th Street Embankment bridges, across Brunswick Avenue, Monmouth Street, Coles Street, Jersey Street, Erie Street and Manila Street. Yet the bridges

could not have been removed without the City of Jersey City's approval. If nothing else, the streets had to be closed to pedestrian and vehicular traffic on the days when the bridges were being demolished.

At page 6 of its Opening Statement, Jersey City notes that Conrail removed the switch at or near Waldo Avenue to the 6th Street Embankment, undertaken in connection with the sale of the Waldo Avenue Yard to Port Authority Trans-Hudson ("PATH") Tubes, and included in Appendix II to its Opening Verified Statement are two photographs taken by the City of Jersey City, Division of Engineering, on July 14, 1994, the one while the work was in progress and the other "after switch removed and line officially abandoned [underscoring added for emphasis]"

All this was done by Conrail without securing the advance abandonment authorization from the ICC.. Moreover, all this was done by Conrail with the knowledge and acquiescence, if not express approval, of the City of Jersey City. Thus for more than a decade, there has been no railroad service on the 6th Street Embankment and no means of performing railroad operations on the 6th Street Embankment. As the City of Jersey City recognized in 1994, the 6th Street Embankment had been abandoned. For it now to contend that the 6th Street Embankment and the eight parcels of property lying between Milepost 0.18 west of Division Street and Milepost 0.88 at Luis Munoz Marin Boulevard are an active line of railroad and that the segments could not be sold in 2005 to the Intervenor without securing the advance abandonment authorization of this Board, pursuant to 49 U.S.C. 10903, is preposterous.

Indeed, the City of Jersey City through its Jersey City Redevelopment Agency between 1997 and 1999 was engaged in serious negotiations with Conrail for the purchase of the very segments of 6th Street Embankment which ultimately were bought by the Intervenor. See, the

attachments marked as Exhibit N. The public stated intention of the City was not only to purchase the Embankment property but also to demolish the above-grade structures so as to allow the sites' residential development by America's Dream Homes, the Jersey City Redevelopment Agency's "preferred developer." See, Jersey Journal article, March 28, 1998, attached as Exhibit O. Numerous contracts were let and substantial funds expended by the City for legal services, property surveys, realty appraisals, environmental analyses and other pre-development work needed for the conversion of the Embankment into useful and taxable properties. At no time did the City of Jersey City express any reluctance to purchase the eight parcels of 6th Street property, because they were part of an active line of railroad; at no time did the City of Jersey City indicate that it was hesitant to buy the segments, because this Board had not authorized the railroad line's abandonment.

When Conrail determined in 2001 that it would entertain bids for the purchase of the eight segments of the 6th Street Embankment ultimately purchased by the Intervenor, Conrail gave the City of Jersey City's Redevelopment Agency advance notice and invited it to submit a bid for the property.¹⁵ See, Conrail's letters, dated December 21, 2001, and October 24, 2002, attached as Exhibit P. None was submitted. No interest was shown by the City of Jersey City in acquiring the property until almost three years later, and even then its counsel wanted additional time to do an appraisal inspection and complete his research into the regulatory issues concerning the property. See, paragraph 5, page 3, of the Verified Statement of John J. Curley, Esq., attached as Appendix XV to Jersey City's Opening Statement.

¹⁵ Conrail in 2001 invited the City of Jersey City to bid on the subject properties and not in 2004, as Jersey City, states, at page 39 of its Opening Statement.

One cannot fail to wonder why it was, if the 6th Street Embankment affords such an obvious and unique opportunity for maintaining an open area within the City of Jersey City suitable for a hiking and biking trail and, perhaps, even a light-rail transit right-of-way, as spelled out at pages 11-14 and 39-41 of Jersey City's Opening Statement, and in Appendices III -VI attached thereto, that the City of Jersey City did not move more rapidly and convincingly to seek to purchase the property from Conrail. It most assuredly wasn't because the City of Jersey City was concerned that the 6th Street Embankment was an active line of railroad and was fearful that it would be aiding and abetting a violation of 49 U.S.C. 10903 in acquiring the property without Conrail's first having secured the advance abandonment authorization of the Board.

At pages 43-44 of its Opening Statement, Jersey City maintains that it seeks to have the 6th Street Embankment declared to be an active line of railroad which must be authorized for abandonment by this Board, pursuant to 49 U.S.C. 10903, so that the City of Jersey City can exercise its powers of eminent domain to condemn the properties following their abandonment. If that were the ultimate objective of the City of Jersey City, its petitioning the Board to institute the instant declaratory order proceeding was altogether redundant, because the City of Jersey City could have brought condemnation actions against the Intervenor, which had purchased the eight blocks of the 6th Street Embankment which Conrail declared had been abandoned. In other words, the City of Jersey City has taken altogether inconsistent positions in seeking to invalidate the sale of the 6th Street Embankment segments to Intervenor so that the City can exercise its powers of eminent domain following their abandonment while at the same time failing to exploit Conrail's admission that it had abandoned the 6th Street properties in advance of their sale to the Intervenor. Such circulatory reasoning simply serves to underscore the paucity of Jersey City's

case.

The most candid statement of what the appropriate officials of the City of Jersey City thought about the 6th Street Embankment appeared in the "Harsimus Cove South Blight Report", dated December 28, 1983, prepared by the Division of Urban Research and Design of the Department of Housing & Economic Development in response to the directive of the Municipal Council of the City of Jersey City on November 23, 1983. See, the attached Exhibit Q. In its Introduction, at page 1, the Report states:

The setting of the Harsimus cove South Study Area is one of abandonment and decay. The majority of the study area was formerly used as railroad yards. Most, if not all of the existing and former uses within the area, were dependent upon the rails for their existence. Accompanying the decline of the rails was a decline of secondary services dependent on the rail system for their existence.

At page 9, the Report notes, "The majority of the study area lands are either underwater, vacant or abandoned rail right-of-way.[underscoring added for emphasis]" At page 20, the Report states:

Railroad property accounts for . . . 35% of the area. The decline of the rail industry, particularly in Jersey City has resulted in large areas of rail right-of-ways which are unused. The Harsimus Cove South Study Area is the only area of the Jersey City waterfront where the problem has not been addressed.

An even more revealing of the view of the City of Jersey City of the 6th Street Embankment is contained in the "Report Concerning the Determination of the Proposed Sixth Street Study Area as 'An Area in Need of Redevelopment'", authorized by the Municipal Council of the City of Jersey City on April 23, 1997, and approved by the City of Jersey City Planning Board on March 10, 1998, and accepted the following day by the Municipal Council of the City of Jersey City. See, attached Exhibit R. The Report includes a comprehensive discussion of the ascendancy and

decline of the 6th Street Embankment, concluding, at page 3:

The Penn-Central Corporation, which emerged from this period of rail company consolidations, retained control of the Harsimus Branch through the 1970's but eventually abandoned plans to expand operations and attract freight forwarding companies to their Harsimus Cove site. Through the last two decades of our Century, Penn Central's corporate successor, Conrail, used the line more as an extended siding for its intermodal operations than to deliver goods to our locality. The tracks were last used in 1994.

In its Review and Conclusions, at page 8, the Report states:

Although [statutory] subsection "b" refers to buildings, not vacant land, it is applicable to this particular site since it is a walled edifice of considerable height and width enclosing a huge volume of landfill. This railway bed, which was once a considerable contributor to the commercial, manufacturing and industrial base of the City and region has now been abandoned. Its former use is no longer viable for this location and there is no possibility for reclaiming this site for the purpose. This great deficit of utility is exactly that envisioned in the statute in subsection "b" [underscoring added for emphasis].

The City of Jersey City does not want the 6th Street Embankment property developed in the manner provided by its own zoning ordinances, that is, for one and two family residences. It professes to want to preserve the Embankment property for open space despite the contrary provisions of the City's zoning ordinances. The City can forestall residential development at any time by exercising powers of eminent domain. That, however, would entail paying fair compensation to the owners. The City does not have the funds or does not want to pay for the property, as evidenced by 1) its failure to negotiate the purchase of the property in 1999 after conducting extensive site investigation, 2) its failure to submit a bid for the property in 2001, 3) its designation of the property as a historic structure for the express purpose of blocking its development,¹⁶ and, most tellingly, 4) after having adopted in 2004 an ordinance authorizing the

¹⁶ As late as July 7, 1999, the City of Jersey City opposed placing the 6th Street Embankment on the State and National Historic Registers. See, Exhibit S.

condemnation of the 6th Street Embankment property, City Ordinance 04-096, failing to commence an action in condemnation, which would legally commit the City of Jersey City to pay the Intervenor's fair compensation as determined by a panel of jurors. Rather than initiate a straight forward acquisition by condemnation, the City has brought this declaratory order proceeding before the Board in the hopes of vacating or clouding the title the Intervenor's received from Conrail, thereby frustrating development of the 6th Street Embankment property without paying the cost of acquisition.

The contention that what remains of the 6th Street Embankment property, namely, the six parcels along 6th Street between Milepost 0.18 and Milepost 0.88 which last year were purchased by the Intervenor's, continues to be an active line of railroad which Conrail could not abandon and sell without the advance abandonment authorization of this Board, pursuant to 49 U.S.C. 10903, is patently absurd. It is a transparent last minute effort to find a means for invalidating the sale of the parcels to the Intervenor's for the development of residential housing so that the City of Jersey City belatedly itself can negotiate with Conrail for the purchase of the property.

WHEREFORE, Intervenor's, 212 Marin Boulevard, L.L.C., 247 Manila Avenue, L.L.C., 280 Erie Street, L.L.C., 317 Jersey Avenue, L.L.C., 354 Coles Street, L.L.C., 389 Monmouth Street, L.L.C., 415 Brunswick Street, L.L.C. and 446 Newark Avenue, L.L.C., ask the Board to find and conclude that the right-of-way extending between Waldo Avenue and Luis Munoz Martin Boulevard in City of Jersey City most recently held spur, switching, yard or other excepted tracks the abandonment of which could be effected by Consolidated Rail Corporation without the advance authorization of this Board, pursuant to 49 U.S.C. 10903, and that, therefore, the 2005 sale by the railroad of the eight parcels of property to the Intervenor's was

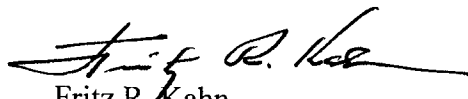
proper and lawful.

Respectfully submitted,

212 MARIN BOULEVARD, L.L.C., et al.

By their attorneys,

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Fritz R. Kahn
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1920 N Street, NW (8th fl.)
Washington, DC 20036-1601
Tel.: (202) 263-4152

Due and dated: April 24, 2006

CERTIFICATE OF SERVICE

I certify that I this day served the foregoing Reply Statement upon the Petitioners, City of Jersey City, Rails to Trails Conservancy, Pennsylvania Railroad Harsimus Stem Embankment Preservation Coalition and New Jersey State Assemblyman Louis M. Manzo, and upon the Respondent, Consolidated Rail Corporation, by sending by overnight courier copies thereof to their respective counsel, Charles H. Montange, Esq., and Robert M. Jenkins, III, Esq.

Dated at Washington, D.C., this 21st day of April 2006.

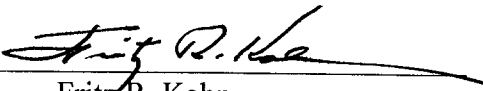

Fritz R. Kahn

EXHIBIT A

DEED

463 PAGE 1568

THIS DEED IS MADE BY AND BETWEEN

ROBERT W. BLANCHETTE, RICHARD C. BOND AND JOHN H. MCARTHUR,

AS TRUSTEES OF THE PROPERTY OF

PENN CENTRAL TRANSPORTATION COMPANY, DEBTOR

(collectively "Grantor"), whose address is Six Penn Center,
Philadelphia, Pennsylvania 19104

AND

CONSOLIDATED RAIL CORPORATION,

a corporation organized and existing under the laws of the
Commonwealth of Pennsylvania ("Grantee"), whose address is 1818 Market Street,
Philadelphia, Pennsylvania 19103.

WHEREAS, the Debtor is a railroad in reorganization under Section 77 of the Federal Bankruptcy Act, 11 U.S.C. Sec. 205, and is a railroad in reorganization as that term is defined in the Regional Rail Reorganization Act of 1973 (Public Law 93-236, 87 Stat. 985), as amended ("Act"); and

WHEREAS, by orders of the United States District Court for the Eastern District of Pennsylvania entered in Docket No. 70-347 the above-named individuals were duly appointed and are now serving as Trustees of the property of the Debtor; and

WHEREAS, the United States Railway Association, pursuant to Section 209 (c) of the Act, has certified to the Special United States District Court established pursuant to Section 209 (b) of the Act ("Special Court"), that the rail properties of the Debtor hereinafter described (except those hereinafter reserved and excepted) are to be transferred by the Grantor to the Grantee; and

WHEREAS, pursuant to Section 303 (b) (1) of the Act, the Special Court has ordered the Grantor to convey to the Grantee all of the Grantor's right, title and interest in such rail properties, free and clear of any liens or encumbrances as provided in Section 303 (b) of the Act;

NOW, THEREFORE, pursuant to the Order of the Special Court, the Grantor hereby grants and conveys to the Grantee:

A. All of the Grantor's right, title and interest, legal and equitable, in and to the real property located in the

County of New York, State of New York

described in Exhibit A attached to this Deed as a part hereof, together with all of the appurtenances, easements, franchises, ways, waters, minerals, rights, privileges, improvements, fixtures, licenses, leaseholds, easements, rights under operating, trackage and joint facility agreements, rents, issues, profits and interests and items belonging to or in any way appertaining to such real property, including but not limited to property items that would properly be recorded in Accounts 1 through 45 and 90 of the Property Accounts by the Interstate Commerce Commission for Railroad Companies in its Uniform System of Accounts, 49 CFR 201, to the extent that such interests and items belong or in any way appertain to such real property, and all interests and items belong or appertain to the real property hereinafter reserved and excepted.

151-1558
B. 1. The easements and rights to use, operate, maintain, repair, renew, replace and remove on, under, over and across the real property hereinafter reserved and excepted ("Grantor's Burdened Property"), any and all lines, poles, pipes, appliances, equipment, structures, facilities and appurtenances (each an "Easement Item") existing on and used or useful as of the date of delivery of this Deed as a part of any railroad communication, signal or interlocker system or as a part of any electric, telephone, telegraph, water, gas, steam, sanitary sewer, storm sewer or other utility system, together with the easement of reasonable access over the Grantor's Burdened Property to permit the exercise of the foregoing easements and rights, and the easement for lateral support of the real property conveyed by this Deed.

2. The easements and rights for the specific uses, if any, (each an "Easement Item") particularly described in Exhibit B attached to this Deed as a part hereof and burdening certain real property hereinafter reserved and excepted.

3. The Grantee shall give the Grantor reasonable notice before entering on the Grantor's Burdened Property to exercise the easements and rights conveyed in this Paragraph B, and shall exercise such easements and rights (a) so as not to interfere unreasonably with the use and enjoyment of the Grantor's Burdened Property, (b) in compliance with generally applicable reasonable requirements established from time to time by the Grantor and (c) so as not to increase materially the burden on the Grantor's Burdened Property existing on the date of delivery of this Deed. The Grantee shall indemnify and save the Grantor harmless from any loss, damage or expense arising from the exercise of the foregoing easements and rights, without regard to negligence on the part of the Grantor or the Grantee. Upon request of and at the expense of the Grantor, the Grantee shall execute and deliver to the Grantor a deed or other instrument releasing the Grantee's rights in any part of the Grantor's Burdened Property that is not used or reasonably needed by the Grantee in the exercise of the easements and rights conveyed in this Paragraph B.

4. If the location of any Easement Item would interfere with any proposed use or sale of any part of the Grantor's Burdened Property, the Grantor may, at the Grantor's expense and after obtaining the Grantee's written consent, relocate the interfering Easement Item or cause the same to be relocated. Such consent will be granted unless (a) the Easement Item cannot be relocated as proposed by the Grantor without unreasonable interference to the Grantee's operations or without damage to the integrity of the system of which the Easement Item is a part or (b) the Grantee will not have reasonable access to the relocated Easement Item. If the Grantee has previously released its easements and rights in any real property as provided in Paragraph B. 3. and a relocated Easement Item falls, in whole or in part, within the area that has been so released, the Grantor and the Grantee shall exchange the following instruments promptly after the relocation is completed:

(a) The Grantor shall execute and deliver to the Grantee a supplementary deed of easement which conveys to the Grantee with respect to the relocated Easement Item the easements and rights described in this Paragraph B.

(b) The Grantee shall execute and deliver to the Grantor a deed or other instrument of release as provided in Paragraph B. 3.

5. The Grantor shall bear all expenses and the cost of all transfer and recording taxes, fees and charges in connection with all deeds and other instruments delivered pursuant to this Paragraph B.

RESERVING AND EXCEPTING, HOWEVER, TO THE GRANTOR:

C. All the respective right, title and interest of the Grantor, legal and equitable, in and to the real property described in Exhibit B attached to this Deed as a part hereof, but subject, however, to (a) the limitation of access thereto across the real property conveyed by this Deed as hereinafter provided and (b) the easements and rights conveyed pursuant to Paragraph B above.

D. 1. The easements and rights to use, operate, maintain, repair, renew, replace and remove on, under, over and across the real property conveyed by this Deed ("Grantee's Burdened Property"), any and all lines, poles, pipes, appliances, equipment, structures, facilities and appurtenances (each an "Easement Item") existing on and used or useful as of the date of delivery of this Deed as a part of any railroad communication, signal or interlocker system or as a part of any electric, telephone, telegraph, water, gas, steam, sanitary sewer, storm sewer or other utility system, together with the easement of reasonable access over the Grantee's Burdened Property to permit the exercise of the foregoing easements and rights, and the easement for lateral support of the real property reserved and excepted from this conveyance.

2. The easements and rights for the specific uses, if any, (each an "Easement Item") particularly described in Exhibit B to this Deed and burdening certain real property conveyed by this Deed.

463-1563-B

3. The Grantor shall give the Grantee reasonable notice before entering on the Grantee's Burdened Property to exercise the easements and rights reserved and excepted in this Paragraph D, and shall exercise such easements and rights (a) so as not to interfere unreasonably with the use and enjoyment of the Grantee's Burdened Property, (b) in compliance with generally applicable reasonable requirements established from time to time by the Grantee and (c) so as not to increase materially the burden on the Grantee's Burdened Property existing on the date of delivery of this Deed. The Grantor shall indemnify and save the Grantee harmless from any loss, damage or expense arising from the exercise of the foregoing easements and rights, without regard to negligence on the part of the Grantee or the Grantor. Upon request of and at the expense of the Grantee, the Grantor shall execute and deliver to the Grantee a deed or other instrument releasing the Grantor's rights in any part of the Grantee's Burdened Property that is not used or reasonably needed by the Grantor in the exercise of the easements and rights reserved and excepted in this Paragraph D.

4. If the location of any Easement Item would interfere with any proposed use or sale of any part of the Grantee's Burdened Property, the Grantee may, at the Grantee's expense and after obtaining the Grantor's written consent, relocate the interfering Easement Item or cause the same to be relocated. Such consent will be granted unless (a) the Easement Item cannot be relocated as proposed by the Grantee without unreasonable interference to the Grantor's operations or without damage to the integrity of the system of which the Easement Item is a part or (b) the Grantor will not have reasonable access to the relocated Easement Item. If the Grantor has previously released its easements and rights in any real property as provided in Paragraph D. 3. and a relocated Easement Item falls, in whole or in part, within the area that has been so released, the Grantor and the Grantee shall exchange the following instruments promptly after the relocation is completed:

(a) The Grantee shall execute and deliver to the Grantor a supplementary deed of easement which conveys to the Grantor with respect to the relocated Easement Item the easements and rights described in this Paragraph D.

(b) The Grantor shall execute and deliver to the Grantee a deed or other instrument of release as provided in Paragraph D. 3.

5. The Grantee shall bear all expenses and the cost of all transfer and recording taxes, fees and charges in connection with all deeds and other instruments delivered pursuant to this Paragraph D.

E. All mineral rights owned by the Grantor in any parcel as to which an interest in the surface is not conveyed by this Deed.

TO HAVE AND TO HOLD the real property and the easements and rights hereby conveyed to the Grantee, free and clear of (a) any liens or encumbrances as provided in Section 303 (b) of the Act and (b) any and all easements and rights of access to the real property reserved and excepted from this conveyance across the real property conveyed by this Deed (except as otherwise provided in this Deed), even if such easements and rights would otherwise arise by reason of necessity, implication or other operation of law, statute, ordinance, rule or regulation of any governmental entity, **BUT SUBJECT, HOWEVER,** to (i) those easements and rights reserved and excepted in Paragraph D above, (ii) all existing licenses, easements, leases (other than those which may have been created to secure payment of a financial obligation), and operating, trackage right and joint facility agreements and (iii) Operating Rights Grants, if any, from the Grantor to a third party conveyed concurrently with this conveyance and identified in Exhibit B to this Deed.

The Grantor hereby covenants that the Grantor will perform, execute, acknowledge and deliver any and all such further acts, deeds, assignments and other instruments as may be reasonably requested by the Grantee to convey, confirm, clarify, identify or more precisely describe the real property and the easements and rights conveyed by this Deed or intended so to be in order to carry out the intent of this Deed in light of the designations contained in the Final System Plan which has been certified to the Special Court by the United States Railway Association pursuant to the Act, and to effect the recordation of, or otherwise perfect, this Deed and all such other deeds, assignments and instruments under any applicable statute, ordinance, rule or regulation.

The Grantee hereby covenants that the Grantee will perform, execute, acknowledge and deliver any and all such further acts, deeds, assignments and other instruments as may be reasonably requested by the Grantor to confirm, clarify, identify or more precisely describe the real property and the easements and rights reserved and excepted from this conveyance or intended so to be in order to carry out the intent of this Deed in light of the designations contained in such Final System Plan, and to effect the recordation of, or otherwise perfect, this Deed and all such other deeds, assignments and instruments under any applicable statute, ordinance, rule or regulation.

RECEIVED

By acceptance of this Deed, the Grantee (a) agrees to perform each of the obligations imposed on the Grantee by the terms of this Deed, and (b) assumes and agrees to perform and observe all obligations and conditions on the part of the Grantor or the Grantor's predecessor in title to be performed or observed that arise or accrue after the date of delivery of this Deed under all licenses, easements, leases (other than those which may have been created to secure payment of a financial obligation) and operating, trackage right and joint facility agreements (subject, however, to the terms thereof) which are conveyed by this Deed and under those to which this conveyance is made subject, provided that the Grantee assumes no obligation or liability that arises after the date of delivery of this Deed out of any event, act or failure to act that occurred prior thereto and, where an obligation or liability is related to a period which is both before and after such date, the Grantee assumes only that portion of the obligation or liability which is reasonably allocable to the part of the period after such date. Concurrently with the delivery of this Deed, the Grantee is delivering to the Grantor a separate instrument executed by the Grantee acknowledging receipt and acceptance of this Deed and affirming the provisions of this paragraph.

All of the covenants of the Grantor and the Grantee, respectively, shall be deemed to be real covenants and shall run with the land.

The words "Grantor" and "Grantee" used herein shall be construed as if they read "Grantors" and "Grantees", respectively, whenever the sense of this Deed so requires and, whether singular or plural, such words shall be deemed to include in all cases the successors and assigns of the respective parties.

This conveyance and the specific covenants of the Grantor are made by the Grantor as Trustees of the property of the Debtor, and not individually, and this conveyance is made without covenants of title or any warranties express or implied.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be executed this 30th day of March, 1976 by Malcolm V. Lane, Jr. being duly authorized so to do by order of the United States District Court for the Eastern District of Pennsylvania entered in Docket No. 70-347.

Signed and Acknowledged
in the Presence of:

Douglas L. Siegel
Douglas L. Siegel
Paul E. Lacouture
Paul E. Lacouture

ROBERT W. BLANCHETTE, RICHARD
C. BOND AND JOHN H. MCARTHUR,
AS TRUSTEES OF THE PROPERTY OF
PENN CENTRAL TRANSPORTATION
COMPANY, DEBTOR

By Malcolm V. Lane, Jr. L.S.
Malcolm V. Lane, Jr.
OFFICER

DISTRICT OF COLUMBIA, SS:

On this 30th day of March, 1976, before me, a Notary Public authorized to take acknowledgements and proofs in the District of Columbia, personally appeared Malcolm V. Lane, Jr. personally known to me to be the person whose name is subscribed to the foregoing Deed, bearing the same date as this certificate of acknowledgement, and acknowledged himself to be an Officer of Robert W. Blanchette, Richard C. Bond and John H. McArthur, Trustees of the Property of Penn Central Transportation Company, Debtor, and that as such Officer and being authorized so to do, he executed the foregoing Deed on behalf of and in the name of the Trustees as their free act and deed for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

This Instrument Prepared By:

United States Railway Association
Pursuant to the Act

Dorothy L. Matz
Dorothy L. Matz
Notary Public in and for
The District of Columbia
My Commission expires January 31, 1980

Document No.

PC-CRC - RP-121

EXHIBIT A

~~REEL 463 PAGE 1566~~

TO THE DEED BY AND BETWEEN

REEL 463 PAGE 1566

ROBERT W. BLANCHETTE, RICHARD C. BOND AND JOHN H. MCARTHUR,

AS TRUSTEES OF THE PROPERTY OF

PENN CENTRAL TRANSPORTATION COMPANY, DEBTOR

AND

CONSOLIDATED RAIL CORPORATION

DESCRIPTION OF REAL PROPERTY

LOCATED IN

County of New York, State of New York

For the purpose of each description contained in this Exhibit A (and solely by way of illustration and not by way of limiting the generality of the term "adjacent"), adjacency shall be deemed to exist without regard to the existence of any public or private street, highway, alley or other way between one part of the Grantor's real property and another.

This Exhibit A consists of the following pages: A-1, A-2, -3 Revised

~~451-222~~

REF 463 PAGE 1567

Document No.

PC-CRC-RP-121

Situate in the County of New York, State of New York,
and being the Penn Central Transportation Company's line
of railroad known as the West 30th Street Branch, and being all
the real property in the County lying in, under, above, along,
contiguous to, adjacent to or connecting to such line.

Such line enters the County near Spuyten Duyvil, passes
through the west side of Manhattan Island, and the 130th Street
Yard, and terminates in the County near Bank Street.

The line of railroad described herein is identified as
Line Code 4235 in the records of the United States Railway
Association.

Document No.

PC-CRC-RP-121

~~PC-CRC-RP-121~~

All operating rights in the following described line of railroad and all parts of the following described line of railroad which are neither leased, nor excluded, excepted or reserved in the lease, to Metropolitan Transportation Authority.

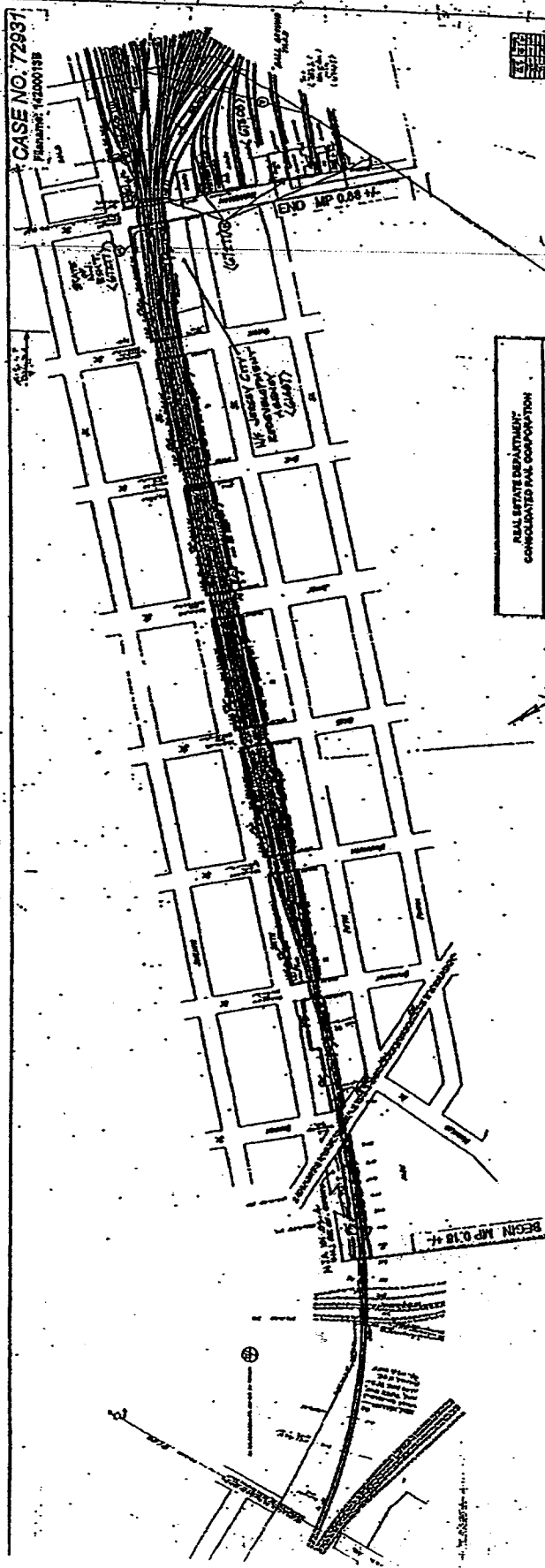
Situate in the County of New York, State of New York, and being the Penn Central Transportation Company's line of railroad known as the Hudson Line, and being all the real property in the County lying in, under, above, along, contiguous to, adjacent to or connecting to such line.

Such line enters and leaves the County in the Marble Hills section.

The line of railroad described herein is identified as Line Code 9100 in the records of the United States Railway Association.

EXHIBIT B

CASE NO. 72937
PENDING 1420018



REAL ESTATE DEPARTMENT
CONSOLIDATED RAIL CORPORATION
-B- PROPERTY TO BE CONVERTED
JERSEY CITY, HUDSON COUNTY, NJ
SOLD AS INDICATED
V.A. 775 (L)/1 LINE CODE 149
Date October 14, 2002



UNITED NEW JERSEY RAILROAD AND CANAL COMPANY



EXHIBIT C

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 34818

CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO –
PETITION FOR DECLARATORY ORDER

VERIFIED STATEMENT
OF
JAMES W. MCCLELLAN

My name is James W. McClellan, and I reside in Virginia Beach, VA. I currently am a Vice President of Woodside Consulting Group, one of the foremost strategic advisors to the Nation's Class I railroads.

I joined Woodside Consulting Group in December 2003, after retiring from Norfolk Southern Corporation as Senior Vice President - Planning. I had started my professional career as a Marketing Trainee for Southern Railway Company, and, after holding various other positions in the railroad industry, rejoined the Company in 1977. I held positions of increasing responsibility with the Company and was a key member of the team which worked on the 1982 merger with Norfolk and Western Railway to form the Norfolk Southern Railway Company.

I moved to the parent Norfolk Southern Corporation in 1992 as Vice President - Strategic Planning. When in 1997 Norfolk Southern and CSX Transportation, Inc., agreed jointly to

acquire the Consolidated Rail Corporation or Conrail, I was one of a three-person team which negotiated the split of the railroad. In the task of dividing Conrail between Norfolk Southern and CSXT, I was greatly aided by my prior experience with the United States Railway Association, which had created Conrail from lines of the bankrupt Penn Central Transportation Company and seven other bankrupt railroads in the Northeast. In a sense, when we divided Conrail, we undid the merger that had created Penn Central, with the preponderance of the lines which had been those of the Pennsylvania Railroad being assigned for operation by Norfolk Southern and those of the New York Central Railroad Company, by CSXT.

The bankruptcy of Penn Central and the seven other railroads quickly proved to be beyond the capacity of the bankruptcy courts to deal with and led to the enactment of the Regional Rail Reorganization Act of 1973. In upholding the constitutionality of the Act, the Supreme Court in Blanchette v. Connecticut General Insurance Corp, 419 U.S. 102, 109 (1974), declared, "Congress concluded that solution of the crisis required reorganization of the railroads, stripped of excess facilities, into a single, viable system operated by a private for-profit corporation."

The United States Railway Association was established as a new government corporation charged with the task of preparing a Final System Plan for restructuring the railroads in reorganization into a financially self-sustaining rail system, which became Conrail. The first and foremost goal of the Final System Plan was "the creation, through the process of reorganization, of a financially self-sustaining rail and express service system in the region." I was the Vice President of USRA in charge of the Office of Strategic Planning, and it fell to me and the personnel working with me to study the vast array of lines that Penn Central and the seven other

bankrupt railroads had been operating and establish the standards for trimming the system of unprofitable or marginally profitable properties so that Conrail would be charged with operating only those railroad lines that would enable it to be a self-sustaining enterprise.

It is important to understand the basic mandate of USRA. The primary goal, on the one hand, was to create a viable rail system, as I already explained. To be viable, however, the new system would need access to any and all viable sources of traffic. But viability could not be divorced from the resources needed to serve the traffic. So it was a balancing act; convey those assets to Conrail that would create a viable system and leave the remaining assets with the estates of the bankrupt railroads.

The process was fairly straightforward. If a line of railroad was needed for the future movement of through traffic, it was conveyed to Conrail. The future part is important; many of the then existing main lines of the bankrupt railroads were not deemed needed for Conrail's operations.

If a line were not going to be part of a through route in the future, then whether to convey the line to Conrail or not was dependent upon the value of the line as an originator or terminator of traffic or useful for fulfilling some other local function, such as a segment needed to reach an engine terminal or maintenance facility. But, again, the goal was to convey only those properties which were needed for future operations of the new system.

The goals were fairly clear; the supporting information, however, often was less defined. USRA had but a short time to do the analysis. The bankrupt railroads were in crisis and were bleeding cash. USRA got the best data it could relating to each segment of the then existing network of railroad lines in the Northeast, but these data bases often were incomplete. Some

lines (though not many given the scope of the effort) were left in limbo. If they were unidentified specifically but were needed by the new entity, Conrail continued to run them as part of its network. *De facto*, they simply became part of the new system to be used by Conrail. A segment used by Conrail at the time of the conveyances subsequently could be abandoned by Conrail. In fact, many such segments were abandoned as economic conditions changed or as operating patterns were modified. Many segments officially conveyed to Conrail subsequently were abandoned by it, and some simply fell into limbo.

Considering subsequent events, anything that fell into Conrail usage became part of its network even if the FSP did not deal with it specifically. That was prudent given the fact that the overarching goal was to create a functioning, viable rail network at the time. Just because changes in operations and markets subsequently might make the segment irrelevant could not and was not anticipated.

Thus, an undesignated line that was used by Conrail for some purpose at the time that Conrail was created should be considered part of the conveyance to Conrail.

In short, USRA looked at the railroad system in the Northeast as it then existed and designated those railroad lines which were anticipated to be viable for operation by Conrail and those which could be useful for railroad operations in the area if subsidized by public bodies or shippers. It mattered not whether a property previously may have been a thriving railroad line, if we viewed it as not warranting designation for operation as a railroad line by Conrail or subsidization by public bodies or shippers, it was not included in the Final System Plan.

I am confident that the identification process we pursued and the verification we undertook were the proper ones to arrive at a Final System Plan, as the 3R Act called for. In a

sense, it was a bubble up process, and I saw some line segments which were right on the edge of viability and could go one way or another. Most of the lines were classified as "retain", "retain if subsidized" or "remain with the estates" before they reached my desk for final decision as to how they were to be characterized before being submitted to the USRA Board of Directors for ratification.

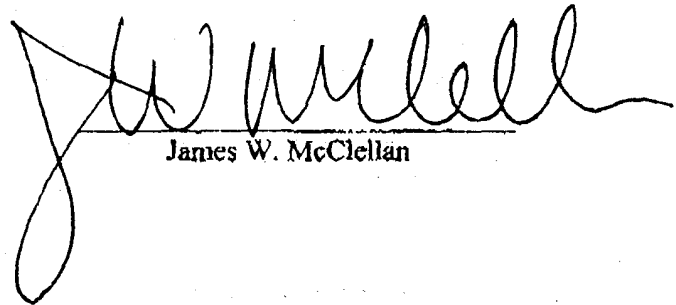
I am almost certain I did not look at any data pertaining to traffic handled by Penn Central on the tracks between what had been Waldo Avenue Yard and what had been Harsimus Cove Yard in Jersey City, NJ, which, I am advised, were designated in the Final System Plan as neither a line of railroad to be operated by Conrail nor a light-density line eligible for subsidization by a public body or shippers. If the tracks nevertheless were conveyed to Conrail by the estate of their prior owner, they were Conrail's to do with as it wished. They could be used as spur tracks, industry tracks, yard tracks or other excepted tracks. They, however, were not required to be operated by Conrail as an active line of railroad, because in our judgment the volume traffic and the revenue it generated did not warrant their continued operation as an active line of railroad.

Of the nearly 11,000 miles of railroad lines which we studied, we determined that only approximately 5,000 miles were to be operated by Conrail as active lines of railroad. The remainder of the lines were available for subsidization by public bodies or groups of shippers, but, if such subsidies were not forthcoming, the properties, if conveyed by the estates of the bankrupt railroads to Conrail, could be used by Conrail as ancillary tracks or, alternatively, abandoned by it.

I declare under penalty of perjury, under the laws of the United States of America, that I

have read the foregoing statement and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Virginia Beach, this ^{9th} day of March 2006.



James W. McClellan

EXHIBIT D

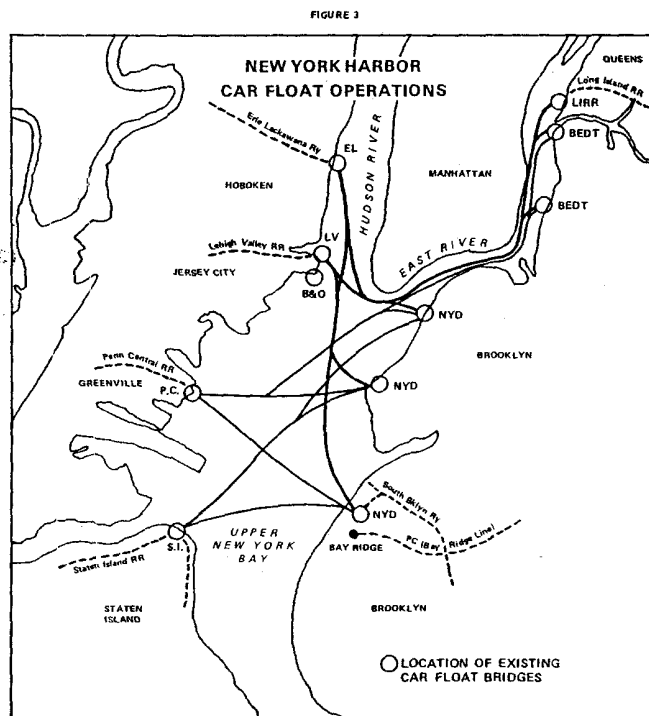
Therefore, purely on economic considerations, this operation is excluded from the Preliminary System Plan. This assumes the absence of financial support from other sources, such as local interests in the affected states, the Virginia Port Authority, etc. A number of these interested parties are desirous of continuing this operation, but it is not known at the present time to what extent, if any, they may be able or willing to generate financial assistance. Another alternative which has not been studied is the possibility of a solvent carrier, for example, Southern Ry. or RF & P (see Chapter 4), assuming the operation of the car float and the Delmarva Line.

Table 11, which follows, is an expansion of the data contained in Table 10, showing the cost comparison for total movement between selected points. Tables 12 and 13 summarize the origins and destinations of 1973 traffic.

New York Harbor Marine Operations

New York Harbor rail marine operations are unique in that both car float and lighterage service are available from two or more trunk-line rail carriers. These services have differing origin and destination points, depending on the trunk-line carrier and dock railway or consignee-consignor involved. (See Figure 3.)

Car floating involves the movement of rail cars on and off floating barges at float bridge facilities which adjust for tidal variations. The average car float has 2 to 4 tracks with a total capacity of 14-20 forty- and fifty-foot rail cars. Car floating allows rail carriers and waterfront customers without land connections or with circuitous land connections to receive and deliver rail cars.



Lighterage service involves the unloading of a car's contents and placement of the lading on open or covered lighter (barge, scow, stickboat). Lighter deliveries can vary in weight from a few hundred pounds to several tons, and heavy single-unit loads such as tractors, transformers and generators are frequently handled in lighterage service.

Historically, lighterage has been provided for commodities that move at a tariff considered to be above fully compensatory levels. Thus, what is normally termed an accessorial service (in addition to "normal" rail services, such as mechanical protection service) was, in practice, an extension of the line carriage and was probably quite profitable even considering total marine costs incurred.

Before the turn of the century, line-haul rail carriers operated marine equipment in New York Harbor, providing car float and lighterage service for domestic and import-export shipments. During the period 1817, after the Pennsylvania Railroad gained control of the New Haven, car-float facilities were enlarged in anticipation of the opening of the Hell Gate Bridge. After the Hell Gate Bridge was opened, to the advantage of the shorter car float route between New Haven's Bay Ridge Yard and Pennsylvania Railroad terminal at Greenville. As recently as 10 years ago, major trunk-line rail carriers were involved in New York Harbor rail-marine operations.

On January 1, 1969, the New Haven was formally merged into the Penn Central system. This, and the preceding merger of the New York Central and Pennsylvania, significantly altered the freight routing patterns between New England and areas west of the Hudson River. Prior to these two mergers, movements from other than the New York Central were routed New York Harbor via the interchanges at Campbell Hall or Maybrook and over the Poughkeepsie Bridge. After the mergers, all nondock company railings were via Selkirk Yard near Albany. In 1969, car float operations at Bay Ridge were closed and the terminal removed from the Bay Ridge terminal area.

Traditionally, rates to the greater New York City have been equalized. This equalization was predicated on the premise that New York City and the eastern New Jersey shoreline were integral elements of a single economic entity. It is only in the last few years that substantial large volume bulk commodity rates distinguished between Brooklyn, N.Y., and Jersey City, N.J.

Thirty years ago, a tremendous amount of intramarket rail competition existed. This competitive environment has diminished as mergers and consolidations of carriers have occurred. The merger of the New York Central, Pennsylvania and New Haven Railroads into Penn Central in 1968 and 1969, and the cessation of marine operations by other rail carriers during

TABLE 11.—Comparison of carload cost for total movement, selected movements and alternatives, Penn Central Chesapeake Bay carfloat

Movement	Present service	Present service (capacity)	Upgraded service (30-car)	Upgraded service (60-car)	All truck	All rail	Total revenue
Marine cost.....	\$120.00	\$66.00	\$53.00	\$31.00	\$120.47	\$57.29	-----
Austinville to Keller.....	528.60	474.60	466.60	439.60	577.92	524.52	\$284
Camex to Salisbury.....	450.17	396.17	388.17	361.17	419.15	403.15	644
Plymouth to Baltimore.....	472.87	418.87	410.87	383.87	500.91	361.60	460
Seaford to Charlotte.....	478.00	424.00	416.00	389.00	345.04	429.29	366
Adel to Salisbury.....	540.20	486.20	478.20	451.20	314.03	506.32	352
Augusta to Boston.....	952.89	898.89	890.89	863.89	1,424.44	818.22	1,253
Norfolk to Philadelphia.....	399.34	345.34	337.34	310.34	243.93	340.08	432
Total.....	3,821.87	3,444.07	3,388.07	3,199.07	3,825.37	3,383.08	3,791
Average of 7 moves.....	545.98	492.01	484.01	457.01	546.48	483.30	542

¹ For example: Present service cost of Austinville—Keller equals rail cost (\$408.60) plus marine cost (\$120) or \$528.60.

Source: A. T. Kearney, Inc., *Analysis of Railroad Operated Ferry and Lighterage Operations*, January 1975.

TABLE 12.—Penn Central Chesapeake Bay car float data by origin state or province, 1973

Origin state or province	Total carloads	Total tons	Penn Central revenue	Total revenue
Alberta.....	2	81	\$530	\$3,057
Alabama.....	112	3,443	26,622	79,050
Arkansas.....	31	884	13,893	33,496
British Columbia.....	12	493	4,545	21,087
California.....	121	4,874	63,428	223,332
Connecticut.....	35	1,282	14,445	21,145
Delaware.....	1,199	41,234	230,752	669,963
Florida.....	855	48,417	207,787	714,332
Georgia.....	1,199	30,137	201,705	573,409
Iowa.....	18	851	8,958	20,005
Idaho.....	7	297	2,931	11,426
Illinois.....	601	51,549	385,631	408,640
Indiana.....	1,336	109,668	795,400	833,708
Kansas.....	10	245	4,820	11,928
Kentucky.....	13	489	4,726	9,676
Louisiana.....	116	4,824	44,465	127,426
Massachusetts.....	82	1,757	40,765	79,372
Maryland.....	385	16,612	100,050	261,921
Maine.....	99	3,393	28,486	80,663
Michigan.....	161	10,067	81,595	90,603
Minnesota.....	20	414	7,754	14,001
Missouri.....	25	754	10,618	19,742
Mississippi.....	73	2,165	37,984	89,737
Montana.....	8	331	2,977	12,895
Nebraska.....	23	486	4,100	18,584
North Carolina.....	3,388	181,093	987,306	1,891,684
Newfoundland.....	2	122	2,431	4,104
New Hampshire.....	7	106	1,471	4,850
New Jersey.....	463	15,992	132,402	249,920
New Mexico.....	8	734	6,998	16,350
Nova Scotia.....	7	270	1,908	8,164
New York.....	592	12,057	246,390	385,333
Ohio.....	1,328	94,986	735,778	754,993
Ontario.....	53	1,861	40,182	60,022
Oregon.....	54	2,274	22,920	87,950
Pennsylvania.....	1,065	46,916	372,799	705,023
Prince Edward Island.....	5	92	1,391	3,928
Quebec.....	277	16,699	129,321	433,054
Rhode Island.....	25	555	25,811	26,172
South Carolina.....	622	20,892	123,539	344,129
Saskatchewan.....	75	4,299	32,254	99,212
Tennessee.....	18	614	3,344	9,631
Texas.....	70	3,624	31,893	120,793
Virginia.....	5,311	289,604	1,526,297	2,041,051
Vermont.....	24	536	5,601	10,660
Washington.....	17	730	7,981	30,653
Wisconsin.....	24	630	9,781	17,784
West Virginia.....	26	1,405	9,030	15,456
Wyoming.....	3	214	250	1,068
Totals.....	20,007	1,040,052	6,782,045	11,751,182

Source: USRA computer run of Penn Central traffic tapes for 1973.

TABLE 13.—Penn Central Chesapeake Bay car float data, 1973, by destination state or province

Destination state or province	Total carloads	Total tons	Penn Central revenue	Total revenue
Alabama.....	46	1,674	\$14,653	\$41,746
California.....	17	492	4,229	32,539
Connecticut.....	330	18,557	171,938	228,689
District of Columbia.....	9	122	1,507	2,010
Delaware.....	1,777	103,896	466,287	1,015,233
Florida.....	348	13,297	119,595	363,077
Georgia.....	576	22,396	150,741	437,267
Illinois.....	20	736	11,387	18,675
Indiana.....	142	4,971	97,614	124,784
Kentucky.....	2	16	558	1,719
Louisiana.....	23	825	7,963	34,947
Massachusetts.....	221	9,500	103,924	105,270
Maryland.....	3,363	148,023	723,971	1,764,770
Maine.....	9	652	2,915	8,823
Michigan.....	41	1,956	22,555	34,161
Mississippi.....	8	367	2,771	9,004
North Carolina.....	1,550	63,102	399,651	1,000,490
New Hampshire.....	7	427	3,393	5,236
Nova Scotia.....	1,187	59,077	377,263	585,854
New York.....	635	29,785	273,778	438,221
Ohio.....	130	5,144	55,002	88,800
Ontario.....	9	349	6,474	9,017
Oregon.....	3	73	915	5,675
Pennsylvania.....	1,428	65,700	452,286	716,485
Quebec.....	88	4,721	54,146	73,354
Rhode Island.....	78	3,748	40,139	59,375
South Carolina.....	236	8,853	72,871	194,563
Tennessee.....	113	3,703	24,127	74,653
Texas.....	27	627	18,243	48,241
Virginia.....	7,538	465,343	3,102,661	4,146,290
Vermont.....	9	572	3,275	7,410
Washington.....	9	280	4,045	20,011
Wisconsin.....	10	412	2,710	9,016
West Virginia.....	30	1,209	7,763	20,802
Totals.....	20,023	1,040,707	6,802,721	11,776,470

Source: USRA computer run of Penn Central traffic tapes for 1973.

preceding years modified the environment to an oligopolistic one.

The growth of intermodal competition in the last two decades has also exerted significant influence on the rail-marine level of competition through the reduction of total tonnage which rail transportation carriers attract. Many goods, especially those lightered, are rail-truck competitive. With lower total transit time and less

variability in transit time, the motor carrier became a more formidable competitor for lighterage traffic.

The level of rail-carrier aggressiveness in marketing mail-marine services can have an impact, either positive or negative, on the traffic volume handled. Many persons have expressed opinions that rail carriers not only do not actively seek this traffic, but in fact actively discourage it. The following railroads still serve New York Harbor:

Penn Central currently operates both car-float and lighterage service from its Greenville terminal near Jersey City, N.J.

Erie Lackawanna has the second largest New York rail-marine operation in terms of volume. This road currently offers both car-float and lighterage service from its New Jersey facilities. It is owned by Dereco, Inc., a wholly owned subsidiary of the Norfolk & Western. (USRA's study excludes detail on EL.)

Lehigh Valley is currently engaged in car-float operation only, having received ICC authority to abandon its lighterage operation in 1970.

Staten Island B&O. Although still in operation, traffic is now minimal.

Present volume of car-float traffic is approximately 50,000 to 55,000 cars per year between the trunk lines and the terminal carriers in Brooklyn—Brooklyn Eastern District Terminal and New York Dock Ry. With one minor exception, these terminal companies have no all-rail access and are therefore dependent upon the car-float service. A small amount of traffic is floated to/from Long Island R.R., i.e., Erie Lackawanna and Lehigh Valley traffic, but not Penn Central. Penn Central floated 20,800 cars and Lehigh Valley floated 14,800 in 1973. In 1974 the Erie Lackawanna floated 18,600 cars. Cost is estimated to average \$43 to \$60 per car.

PC lighterage traffic for 1973 is estimated at 60,000 to 80,000 tons, with an estimated unit cost of \$17 to \$22. As seen in Table 14, this traffic has shrunk drastically in recent years. The Erie Lackawanna currently estimates a loss of \$28 per ton on lighterage service.

Table 15 shows present railroad-owned marine equipment.

Table 16 shows the traffic carried, revenue divisions in total and per car, and marine cost as a percent of those revenue divisions for the Penn Central and Lehigh Valley in 1973.

The marine costs range from 13 percent to 30 percent of the total average revenue received by the Penn Central and Lehigh Valley. Since the rates applicable to New York Harbor car floating are equalized for the area; that is, the rate to New Jersey is the same as the rate for a car floated to Brooklyn, a carrier that car floats a car to Brooklyn will have only 70 to 87 percent of its revenue division remaining to cover nonmarine costs. If the car had been terminated on the New Jersey shore,

TABLE 14.—New York Harbor rail marine traffic and cost

	Cost per unit	Carloads by carriers			Total carloads
		Penn Central	Lehigh Valley	Erie Lackawanna	
Car float:					
1962.....		•	•	•	3
1966.....	\$20.00	•	•	•	3
1967.....		36,000	•	•	36,000
1973.....	43-60	20,800	14,800	•	35,600
Tonnage by carrier					
Lighterage:					
1961.....		•	•	•	4,000
1962.....	3.00	•	•	•	4,000
1965.....	7.75	•	•	•	4,000
1968.....		535,000	•	•	535,000
1969.....	11.50	533,000	•	•	533,000
1970.....		461,000	•	512,000	973,000
1971.....		189,000	•	•	189,000
1972.....		80,000	•	•	80,000
1973.....	17-22	75,000	•	•	75,000

*Information not tabulated in contract study.

Source: A. T. Kearney, Inc., *Analysis of Railroad Operated Ferry and Lighterage Operations*, January 1975.

Jersey land termination is an extremely profitable movement, or the land plus car-float movement is an extremely profitable one. All indications point toward the latter being true.

Contract provisions in effect also favor the terminal companies on "free" days, demurrage, rate divisions, responsibility for switching and prompt unloading of floats. A USRA study estimated that marine cost amounted to 15-20 percent of total freight revenues.

Figure 4 shows the degree of circuitry incurred in reaching Long Island as a result of curtailed float operations. At present Erie Lackawanna and Lehigh Valley traffic for the Long Island RR is floated via New York Harbor but all PC traffic is moved via Selkirk. This is by far the largest interchange with Long Island. As indicated by the map, traffic to/from the West is

TABLE 15.—New York Harbor rail marine equipment, 1963-1973

	Carriers						Tot
	Penn Central		Lehigh Valley		Erie Lacka- wanna		
	1963	1973	1963	1973	1963	1973	
Float bridges.....	•	2	•	1	•	1	•
Tugs.....	38	3	4	1	15	•	57
Car floats.....	109	9	14	2	38	•	161
Lighters.....	327	24	62	•	201	•	590
Total floating.....	474	36	80	3	254	•	808

*Information not tabulated in contract study.

TABLE 16.—New York Harbor estimated car-float revenues and costs, 1973

	Carrier		
	Penn Central	Lehigh Valley	Total
Carloads.....	20,800	14,770	35,570
Tons (000).....	923	656	1,579
Revenue division (000).....	\$6,850	\$2,990	\$9,840
Revenue per car.....	\$329	\$202	\$277
Marine costs as a percentage of revenues.....	13.1-18.2	21.3-29.7	15.5-21.7

Source: A. T. Kearney, Inc., *Analysis of Railroad Operated Ferry and Lighterage Operations*, January 1975.

hampered in any way; however, the degree of circuitry for southern traffic is quite extreme. This would be improved considerably if it moved via Maybrook and the Poughkeepsie Bridge. The same would be true, of course, for traffic to/from southern Connecticut and the New York City area.

Abandonment of the float bridges at Greenville is an alternative that has been considered. The all-land route via Selkirk is very circuitous, and there are no land connections to Brooklyn terminals (except Bush Terminal), so much of the traffic would probably be lost without the floating operations. Consolidation of all railroad car-float connections, presumably at Greenville, would permit cost reduction in support facilities and more efficient scheduling and turnaround for the tugs of the terminal companies (which would be improved further if EL were included). If the latter savings were passed along to ConRail via better contract terms from the Brooklyn terminals, then continuing operations of the float bridges might be warranted.

The Preliminary System Plan recommends the abandonment of lighterage service as directly performed by the railroads, with this service provided by numerous commercial firms available in the area. Existing car-float operations are recommended for continuation under contract with the terminal companies on the condition that a more satisfactory contractual arrangement with ConRail can be consummated and all operations concentrated at one location. If this cannot be accomplished, other alternatives must be studied.

Reading Company Delaware River Car Float

The Reading Company maintains a small car-float operation on the Delaware River between Delaware River Pier, near Wilmington, Del., and Carney's Point, N.J., and between Delaware River Pier and Thompson's Point, Gibbstown, N.J. This operation consists of one crew Monday through Friday. The Delaware River Pier—commonly known as Pigeon's Point—is at the extreme end of the Wilmington Branch, which extends from Birdsboro, Pa. The southerly portions of this line below Coatesville, Pa. remains open primarily

for the Delaware River traffic. A small amount of Wilmington area traffic is also handled. (See Figure 5.)

Floating equipment consists of a single 1,200 HP diesel tug, known as the *Brandywine*, plus 1 car float of 26-car capacity and 2 smaller floats, each with a 24-car capacity. There is a small 6-track yard and float bridges at Pigeon's Point on the Delaware side of the river, and on the New Jersey side there are bridges at 2 locations: Carney's Point, also known as Deepwater, and Gibbstown, which is also known as Thompson's Point, approximately 10 miles north of Carney's Point. At both these locations the du Pont Corp. has industrial facilities, the sole reason for the floating operation. However, these plants also have all-land access by rail, as they are both located on the PRSL. The principal reason for the car-float operation is to maintain a competitive route into the New Jersey plants for the Reading Company.

Normally, service consists of 2 round trips (Monday through Friday) between Pigeon's Point and Carney's Point and a single round trip between Pigeon's Point and Thompson's Point. A single crew is employed for this operation. Du Pont performs the car handling on the New Jersey side of the river. On occasion a trip is made on Saturday or Sunday, but du Pont pays the entire cost when this is necessary. Traffic for the first 11 months of 1974 averaged 358 cars per month to/from Carney's Point and 75 per month to/from Thompson's Point. These totals add both directions.

Cost data is incomplete but includes the following items:

Tugboat crew.....\$23,290/month.....\$158,280/year
Yard crew..... 1,125/ week..... 58,500/year

Recently this service was discontinued temporarily due to an accident in which an ocean-going vessel struck the float bridge at Pigeon's Point. While the floating operation was out of service, cars were moved into Thompson's Point and Deepwater via the PRSL.

Since satisfactory service can be provided by less costly all-rail movement, the Preliminary System Plan contemplates discontinuance. The present service is maintained essentially for competitive reasons, which presumably no longer would exist under ConRail.

Another consideration is the future of the Wilmington Branch of the Reading Company. This line is in poor condition generally. The Preliminary System Plan proposes the abandonment of this trackage, at least south of Coatesville, with Wilmington area traffic handled by alternate lines; discontinuance of the float operation would simplify the rationalization of Wilmington's traffic.

Mackinac Transportation Company

This company, of which Penn Central is the majority owner (with the Soo Line having a minority interest), operates a car-ferry service between Mackinaw City

EXHIBIT E

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 34818

CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO –
PETITION FOR DECLARATORY ORDER

VERIFIED STATEMENT
OF
RICHARD B. HASSELMAN

My name is Richard B. Hasselman, and I reside at 5289 Ladyfinger Lake Road, Sanibel, Florida 33957.

I am a graduate of the Yale University having received a Bachelor of Engineering degree in Mechanical Engineering in 1947. My postgraduate studies were at New York University from which I received a Master of Business Administration degree in 1949.

I joined the New York Central Railroad Company in 1947 as a Student Engineer. I remained with the New York Central for the next twenty years, occupying positions of increasing responsibility. I was the New York Central's Assistant Vice President for Transportation, with offices at its headquarters in New York, NY, for two years, when the railroad merged with the Pennsylvania Railroad Company in 1968.

In 1968, I was named Vice President - Transportation of the merged railroad, Penn

Central Transportation Company, with offices at its headquarters in Philadelphia, PA, I was the railroad's senior officer overseeing its entire systemwide train, yard and station operations. I served in that position through the time of the Penn Central's bankruptcy in 1970 and continued to occupy that position until the railroad's properties were conveyed to Consolidated Rail Corporation in 1976, in accordance with the Final System Plan formulated by the United States Railway Association, established pursuant to the Regional Rail Reorganization Act of 1973.

In 1976, when Conrail began operations, I was named Senior Vice President - Operations of that company, responsible for overseeing the railroad's entire operations, engineering and maintenance and continued to serve in that position until my retirement at the end of 1989. I have been a consultant to the railroad industry since then.

I understand that the subject proceeding before the Surface Transportation Board, successor to the Interstate Commerce Commission, involves a dispute between the City of Jersey City and certain parties affiliated with it, on the one hand, and, on the other, Conrail and the purchasers of eight parcels of its properties. The properties in question extend for about six blocks along 6th Street in Jersey City, between Newark Avenue and Luis Munos Marin Boulevard, formerly Henderson Avenue.. The properties are the remnants of the approximately one-mile Harsimus Branch, between the Pennsylvania Railroad's Waldo Avenue Yard near Journal Square and its former Harsimus Cove Yard on the Hudson River which was the railroad's first Hudson river terminal and began operating late in the 19th century, During that period, the Pennsylvania Railroad built an elevated structure to avoid at-grade crossing with the Jersey City Streets, which elevated structure is often referred to as the Harsimus Embankment.

By the early 1970's, Penn Central made little use of the Harsimus Branch. There were no

shippers located along the elevated Harsimus Embankment and no more than two or three shippers remained in the entire Harsimus Cove Yard area. They received occasional, on demand service from the Penn Central, rather than scheduled service. The car-float operations which the Pennsylvania Railroad had conducted from the Harsimus Cove Yard had transferred to Greenville, NJ. No station was on the Harsimus Branch, which was simply a dead-ended spur track.

The Harsimus Branch was used only as "headroom" maneuvering trains between the "River Line" (which led south from Albany, NY) or the "Southern Tier Line" from Port Jervis and "Meadows Yard" in Jersey City.

To eliminate that cumbersome back-up move, Conrail, with cooperation of the New Jersey Department of Transportation, constructed a new "wye" connection at Marion Junction, west of Journal Square in 1990 or thereabouts. Following that, the Harsimus Branch served absolutely no purpose, present or future.

It has been some time since I looked at the USRA "Final System Plan", but I am positive that no tracks extending between the Waldo Avenue Yard and Harsimus Cove were designated to be operated by Conrail as a "line of railroad." Certainly, Conrail never did operate the Harsimus Branch as main-line track, nor did it receive any subsidies to operate it as a "light density line". By order of the Special Court, Conrail was conveyed these tracks, along with other pieces of property in the Jersey City area. But Conrail, as Penn Central before it, only used this track for inter-yard movements within the New Jersey terminal area, until a better route was installed for such moves, via Marion Junction.

There might be some confusion about what line was conveyed to Conrail pursuant to the

Final System Plan. Penn Central did operate a line called the "Passaic and Harsimus Line". That line ran from Waldo Avenue Yard in Jersey City in a westerly direction through Journal Square, Marion Junction and Newark to a connection at "Lane" west of Newark with the Pennsylvania Railroad's main line to Philadelphia. That "Passaic and Harsimus Line" generally paralleled Amtrak's Northeast Corridor Line and was used by Penn Central as the access route between its yards in the Kearny and Newark Meadows and Amtrak's Northeast Corridor Line. It is clear to me that it was ~~the~~ ^{not} that Passaic and Harsimus Line, unlike the Harsimus Branch, which was conveyed to Conrail to be operated by it as a line of railroad pursuant to the Final System Plan.

I declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing statement and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification.. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Sanibel, FL, this 24th day of February 2006.

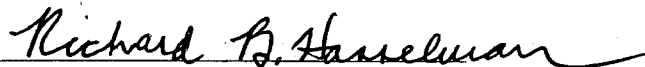

Richard B. Hasselman

EXHIBIT F

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 34818

CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO --
PETITION FOR DECLARATORY ORDER

VERIFIED STATEMENT
OF
WILLIAM F. WULFHORST

My name is William F. Wulfhorst, and I reside at 232 Oxford Road, Havertown, Pennsylvania 19083.

I began working for the Pennsylvania Railroad in 1955. I began in the Traffic Department, and, after having held a variety of positions in other of the railroad's departments, returned to the Traffic Department about 1960, training to become a Trainmaster.

For approximately eight months' time in 1962 or 1963, I was a special duty Assistant Trainmaster, working on what is generally referred to as the Harsimus Branch, extending from Waldo Avenue to the Hudson River piers at Harsimus Cove

The Harsimus Branch at the time was used almost primarily for lightering and car-float operations. Miscellaneous freight which arrived by boxcars was loaded unto barges which then were floated to steamships for loading via cargo slings into their holds. Carloads of freight

forwarder traffic floated from Manhattan were made up into trains headed west. And carloads of perishables were floated across the Hudson River to the Penn Central's mid-Manhattan piers, where they were unloaded.

The slaughter houses, such as Cudahy Packing Company and Armour and Company, had shut down their operations, and, as I recall, there may have been a producer of spaghetti who received an occasional carload of flour.

We did handle two or three carloads of inbound traffic, five nights a week, for Colgate, but that was a difficult operation, as the train had to wend its way through the streets of Jersey City to reach Colgate's plant, as well as an expensive one, because in those days a train had to be crewed with an engineer, fireman, conductor and one or two brakemen. There was little or no outbound traffic from Colgate. Its products were primarily trucked.

Following my service on the Harsimus Branch, I served as Trainmaster in the Philadelphia area.

When the merger of the Pennsylvania Railroad and the New York Central Railroad was imminent, I was offered a position in the Marketing Department, as I knew enough about the Pennsylvania Railroad's operations to assist in melding the two railroads. Following their merger, I served as Manager of Freight Services of the Penn Central Transportation Company, and I continued in that position following its bankruptcy.

When the United States Railway Association was established, I was detailed for about three months to assist its staff in identifying those lines of the Penn Central Transportation Company which should be designated to be operated as railroad lines by Consolidated Rail Corporation, pursuant to the Final System Plan. That was how I met Jim McClellan, who was

ORIGINAL

Vice President of U.S.R.A. in charge of the Office of Strategic Planning.

I recall discussing the Harsimus Branch. By then the car float operations had ceased, and the float bridges had been removed, as had the overhead wires which permitted the use of the electricity-powered locomotives which the Penn Central Transportation Company largely used in the Northeast. Little traffic moved through the Harsimus Cove Yard. In fact, the Harsimus Branch tracks stub-ended about where the Yard Office was located. It was my opinion that there just wasn't enough traffic being handled or revenue earned to justify designating the Harsimus Branch as a line of railroad to be operated by Conrail, and I recommended that the Final System Plan not include it.

I declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing statement, and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Havertown, PA, this 23 day of March 2006.

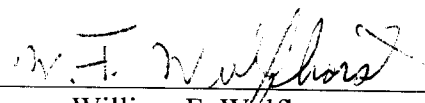

William F. Wulfhorst



EXHIBIT G

Passaic and Harsimus Line

From Wikipedia, the free encyclopedia.

Conrail's Passaic and Harsimus Line serves freight in northeastern New Jersey, as an alternate to the mainly passenger Northeast Corridor. It takes trains from the Northeast Corridor and Lehigh Line near Newark Liberty International Airport northeast and east into Jersey City, New Jersey, serving as part of CSX's main corridor from upstate New York to the rest of the east coast.

The line begins at a junction with Amtrak's Northeast Corridor at Waverly Yard. It runs next to the Northeast Corridor, just to the east, along what was originally Track 0 (the old P&H Branch east of the yard is now abandoned). After about a mile, the Greenville Secondary splits to the east, and the P&H Line passes under the Lehigh Line and turns east. Access to the Lehigh Line eastbound is provided from the Greenville Branch via a track into the Oak Island Yard; another track leaves the Oak Island Yard to join the P&H Line headed northbound.

After crossing the Passaic River, the P&H Line passes over PATH and turns east, parallel to PATH. A track splitting just before the overpass accesses the area south of PATH. The P&H Line then heads east to Marion Junction, where the Northern Running Track goes north, with most rail traffic. The P&H Line past Marion Junction is now a secondary connection to the National Docks Branch via a short section of the River Line; the rest of the River Line is now used for the Hudson-Bergen Light Rail.

[edit]

History

The P&H Line, before passing to Conrail, was the Pennsylvania Railroad's P&H Line. Before that, it was the Waverly and Passaic Branch south of the bridge over PATH, the PRR's main line from there to the River Line, and the Harsimus Branch where track no longer exists, east to Harsimus Cove.

EXHIBIT H

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Conrail - Philadelphia Division - Passaic & Harsimus Line

Employee Timetable #6 January 15, 1998

	<p>PASSAIC AND HARSIMUS LINE STATION PAUSE INFORMATION</p> <p>1998</p> <p>2000</p> <p>2001</p> <p>2002</p> <p>2003</p> <p>2004</p> <p>2005</p> <p>2006</p> <p>2007</p> <p>2008</p> <p>2009</p> <p>2010</p> <p>2011</p> <p>2012</p> <p>2013</p> <p>2014</p> <p>2015</p> <p>2016</p> <p>2017</p> <p>2018</p> <p>2019</p> <p>2020</p> <p>2021</p> <p>2022</p> <p>2023</p> <p>2024</p> <p>2025</p> <p>2026</p> <p>2027</p> <p>2028</p> <p>2029</p> <p>2030</p> <p>2031</p> <p>2032</p> <p>2033</p> <p>2034</p> <p>2035</p> <p>2036</p> <p>2037</p> <p>2038</p> <p>2039</p> <p>2040</p> <p>2041</p> <p>2042</p> <p>2043</p> <p>2044</p> <p>2045</p> <p>2046</p> <p>2047</p> <p>2048</p> <p>2049</p> <p>2050</p> <p>2051</p> <p>2052</p> <p>2053</p> <p>2054</p> <p>2055</p> <p>2056</p> <p>2057</p> <p>2058</p> <p>2059</p> <p>2060</p> <p>2061</p> <p>2062</p> <p>2063</p> <p>2064</p> <p>2065</p> <p>2066</p> <p>2067</p> <p>2068</p> <p>2069</p> <p>2070</p> <p>2071</p> <p>2072</p> <p>2073</p> <p>2074</p> <p>2075</p> <p>2076</p> 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PASSAIC AND HARSIMUS LINE

WEST ↓	SIDINGS IN FEET	M.P.	RIVER LINE DS Radio Channel 4 STATION	NOTE
		0.0	OP-WALDO (River Line) ⊙⊗	
		0.8	TOPPS	
		1.6	HCD 19'4".....Readout Hack	
		1.6	HACK..... ⊙⊗⊗	1, 3
			(Movable Bridge) (Westbound B.T.) (South Kearny Yard) (Northern Branch)	
		3.4	KEARNY R-Hack..... ⊙⊗	1, 2 4
			(Movable Bridge)	
		4.5	PLANK.....	
		6.9	OP-STOCK..... R-Hack..... ⊙⊗	
			(Lehigh Connecting Track)	

PASSAIC AND HARSIMUS LINE

STATION PAGE INFORMATION

NOTE 1—All movements between Hack and Karny on the Eastbound Track must be authorized by yardmaster, South Kearny Yard. Eastward movements must receive instructions before passing Karny. Westward movements must receive instructions before passing Hack.

NOTE 2—Movements operating on "D" Track adjacent to No. 1 Relay must operate at Restricted Speed not exceeding 5 MPH (Head end only) and sound the whistle in accordance with NORAC Rule 19(b)2 and sound the bell in accordance with NORAC Rule 20.

NOTE 3—In the application of Rule 114, between CP-Waldo and Hack, to prevent excessive diesel engine exhaust from lingering in the PATH Journal Square Station, diesel consists must not stop and idle in the vicinity of this location.

NOTE 4—Employees are prohibited from riding the sides of cars at Path Jump Over Bridge, Karny Interlocking, account close clearance.

MAXIMUM SPEEDS

Between	Single Track	No. 1 Track	No. 2 Track
CP-Waldo and Hack	15		
Over Karny Movable Bridge		15	15
Karny and WA-5		30	30

RULES IN EFFECT—CURRENT OF TRAFFIC

Between	Single Track	No. 1 Track	No. 2 Track
CP-Waldo and Hack	261		
Karny and WA-5		251/East	251/West

Tracks are numbered south to north.

LOCATIONS OF BULLETIN BOARDS, EMPLOYEE REGISTERS AND STANDARD CLOCKS

Location	Posting
South Kearny—Yard Office	Albany Div. Amtrak—Metropolitan Div. Amtrak—Mid-Atlantic Div.

LOCATIONS OF RADIO BASE STATIONS

PASSAIC AND HARSIMUS LINE

LOCATIONS OF HEIGHT RESTRICTIONS

Cars, doublestacks, loads or other equipment which do not exceed 20'2" high are permitted to operate between the following locations:

Between And
CP-Stock Hack

Cars, doublestacks, loads or other equipment exceeding 19'1" are restricted between the following locations:

Between And
Hack CP-Waldo (P&H Line)

LOCATIONS OF WEIGHT RESTRICTIONS

System Instruction EQ-12, applies.

EXCEPTION:

286,000 lbs. authorized on P&H Line.

POWER-OPERATED SWITCHES AND SWITCH INDICATORS CONTROLLED AS INDICATED

Located at	Movement to
Bud, Island & Kamy	Power-Operated Switches and Switch Indicators

Controlled by Operator, Hack.
Refer to System Instruction 293-1 for indications.

EXHIBIT I

041

**CONSOLIDATED RAIL CORPORATION
ATLANTIC REGION**

Newark, N.J., March 24, 1976.

GENERAL ORDER No. 1

Effective 12.01 A.M., Thursday, April 1, 1976

(a) ENTIRE REGION

Consolidated Rail Corporation, Atlantic Region, in charge of General Manager D. A. Swanson is established with headquarters at Newark, N.J., and is comprised as follows:

DIVISIONS	IN CHARGE OF	LOCATION
New Jersey	K. L. Lowe, Supt.	New York, N.Y.
Hoboken	C. E. Wogan, Supt.	Hoboken, N.J.
Elizabeth	S. J. Gula, Supt.	Elizabethport, N.J.
Lehigh	G. F. Bressler, Supt.	Bethlehem, Pa.
Scranton	J. H. Kithcart, Supt.	Scranton, Pa.
Susquehanna	J. W. Conner, Supt.	Hornell, N.Y.

General Orders will be issued by authority and over signature of the General Manager.

Bulletin Orders, General Notices and Train Orders will be issued by authority and over signature of the Division Superintendents.

NEW JERSEY DIVISION

The New Jersey Division is comprised of the following territories:

Main Line:

New York to Philadelphia—between Harold (MP0.7) and Division Post (MP76.0).

Branches:

Perth Amboy and Woodbridge—between Union (MP0.0) and Wood (MP5.8).
Princeton—between Nassau (MP0.0) and Princeton (MP2.8).
Passaic and Harsimus—between CP Waldo (MP0.0) and Lane (MP9.3).
Greenville—between Bay (MP0.0) and WA3 (MP4.2).
River Line—between CP Waldo (MP0.0) and CP 132 (MP132.5).
Catskill Mountain—between Kingston (MP0.0) and Bloomville (MP86.3).
Wallkill Valley—between Kingston (MP0.0) and Montgomery (MP33.0).
Jamesburg—between Midway (MP0.0) and JG (MP6.0).
Trenton—between Morris (MP46.0) and Division Post (MP41.0).

Secondary Tracks:

Amboy—between SA (MP0.0) and JG (MP13.6).
Freehold—between Jamesburg (MP5.5) and Farmingdale (MP24.1).
Hightstown—between Jamesburg (MP0.0) and Hightstown (MP8.3).
Belvidere Delaware—between Fair (MP0.3) and MG (MP1.4).
Bordentown—between Division Post (MP26.6) and Fair (MP33.3).

And other Secondary, Running, Industrial and Yard tracks connected therewith.

HOBOKEN DIVISION

The Hoboken Division is comprised of the following territories:

Main Line:

Hoboken to Port Jervis—between West End (MP1.9) and Mill Rift (MP91.2).
Morristown Line—between Hoboken (MP0.0) and Slateford Ict. (MP74.3).
Bergen County Line—between Bergen Jct. (MP3.1) and Ridgewood Jct. (MP20.2).

Branches:

New Jersey and New York—between NJ and NY Ict. (MP7.4) and Woodbine (MP31.2).
Montclair—between Roseville Ave. (MP9.2) and Montclair (MP13.1).
Gladstone—between Summit (MP20.1) and Gladstone (MP42.2).
Graham Line—between Newbury Jct. (MP44.9) and Howells Jct. (MP68.7).
Boonton—between West End (MP1.9) and Denville (MP34.3).

And other Branches, Industrial and Yard tracks connected therewith.

CNJ District

Branches:

High Bridge—between MP22 and End of Track (MP31.6).
Lake Hopatcong—between Hopatcong Jct. (MP0.0) and Morris County Jct. (MP0.9).
Wharton and Northern—between Morris County Jct. (MP0.0) and Picatiny Arsenal (MP3.4).
Mount Hope Mineral—between Wharton (MP0.0) and Mount Hope (MP3.2).

ELIZABETH DIVISION

The Elizabeth Division is comprised of the following territories:

Main Line:

Main Line—between 33rd St. (CP Navy) (MP5.0) and Phillipsburg (MP72.1).
Southern Sub-Division—between Bank (MP38.1) and Winslow Jct. (MP104.2).

Branch:

Perth Amboy—between Port Int. (MP10.0) and CP Beach (MP22.0).

Secondary:

Newark and Elizabeth—between Brills Jct. (MP1.7) and Port Int. (MP7.2).

NY & LB District

Main Line:

Main Line—between CP Beach (MP0.0) and Bay Head (MP38.0).

And other Branches, Secondary, Industrial and Yard tracks connected therewith.

041A

(Page 2 of 2 Pages, ConRail Corp., Atlantic Region G.O. No. 1)

LEHIGH DIVISION

The Lehigh Division is comprised of the following territories:

Main Line:

West Oak Island to Fraser—between West Oak Island (MP10.5) and Fraser (MP147.1).
 L & S Area—Bethlehem to Lehighon—between Bethlehem (MP84.3) and Lehighon (MP114.7).
 L & S Area—Fraser to Laurel Run—between Fraser (MP143.8) and Laurel Run (MP161.2).
 Mountain Cut Off—between Laurel Run (MP164.1) and Coxton Interlocking (MP178.9).
 Coxton Interlocking to Odessa Station Switch—between Coxton Interlocking (MP185.5) and Odessa Station Switch (MP302.1).

Hudson River District**Main Line:**

Main Line—between Maybrook (MP0.0) and G Tower (MP72.0).

LNE District**Main Line:**

Main Line—between Bethlehem Jct. (MP0.0) and Uhlers (MP21.6).

Penn Central District**Branch:**

Belvillers Delaware—between Division Post (MP18.0) and Kent (MP49.0).

Secondary Track:

Warren—between Kent (MP49.0) and G (MP63.9).

CNJ District**Branches:**

South—between MP13.3 and connection with Black River and Western Railroad.

And other Branches, Secondary, Industrial and Yard tracks connected therewith.

SCRANTON DIVISION

The Scranton Division is comprised of the following territories:

Main Line:

Delaware River to West BD—between Stateford Jct. (MP74.3) and West BD (MP192.9).

Branches:

Bloomsburg—between Scranton (MP133.2) and End of Track (MP151.3).

Syracuse—between BD Binghamton (MP190.7) and Division Post (MP270.8).

Utica—between Chenango Forks (MP202.8) and Division Post (MP283.4).

Bangor & Portland—between Portland (MP82.6) and Bath Jct. (MP110.5).

And other Branches, Industrial and Yard tracks connected therewith.

SUSQUEHANNA DIVISION

The Susquehanna Division is comprised of the following territories:

Main Line:

Mill Rift to Hornell—between Mill Rift (MP91.2) and Hornell (MP331.3).

Hornell to Union—between Hornell (MP331.3) and Union (MP418.0).

Branches:

Groveland—between North Alexander (MP360.3) and Groveland (MP325.8).

Wayland—between Painted Post (MP291.8) and Division Post (MP289.6).

B & SW—between So. Dayton (MP43.3) and Waterboro (MP58.6).

And other Branches, Industrial and Yard tracks connected therewith.

(b) ENTIRE REGION

Timetables, operating rules, other related instructions and printed forms governing yard and train operations remain in effect on portions of former railroads comprising the Atlantic Region, Consolidated Rail Corporation, as follows:

PENN CENTRAL TRANSPORTATION COMPANY:

Northeast Corridor Timetable No. 11.

Rules for Conducting Transportation.

CENTRAL RAILROAD COMPANY OF NEW JERSEY:

Timetable No. 3.

Rules of the Operating Department.

NEW YORK AND LONG BRANCH RAILROAD CO.:

Timetable No. 373.

Rules of the Operating Department.

ERIE-LACKAWANNA RAILWAY COMPANY:

Timetables Nos. 4 and 5.

Rules of the Operating Department.

THE LEHIGH AND HUDSON RIVER RAILWAY CO.:

Timetable No. 165.

Rules of the Operating Department.

THE LEHIGH AND NEW ENGLAND RAILWAY CO.:

Timetable No. 1.

Rules of the Operating Department.

LEHIGH VALLEY RAILROAD

Timetable No. 10.

Book of Rules.

(c) TRAIN DISPATCHERS

Train dispatchers remain in charge of those tracks as presently designated in the timetables of the former railroads now timetables of the Atlantic Region, Consolidated Rail Corporation.

D. A. SWANSON,
General Manager

POSTED BY:

(Name of employee posting this Order)

TIME

DATE

(The following receipt to be filled out and mailed
to Superintendent of the Division where posted)

I hereby acknowledge receipt of General Order No. 1

Posted at _____ By _____ Time _____ M.

Date _____ 19____ Signed _____

EXHIBIT J

CONSOLIDATED RAIL CORPORATION

* * *

TIMETABLE No. 11

In effect 4.01 A.M., Eastern Standard Time
Sunday, May 19, 1974

* * *

EASTERN REGION

W. C. WIETERS
General Manager

R. B. HOFFMAN
Asst. General Manager

R. A. RUTLEDGE
Asst. General Manager—
Passenger

R. P. McFEATERS
Superintendent—Operations

Division Superintendents:

L. B. Du PRAU
F. I. DOEBBER
A. G. LAGEMAN, III
D. E. SCHAFER

Divisions:

PHILADELPHIA
CHESAPEAKE
HARRISBURG
READING

ATLANTIC REGION

D. A. SWANSON
General Manager

G. T. DAILEY
Superintendent—Operations

K. L. LOWE
Superintendent—New Jersey Division

* * *

FOR THE GOVERNMENT OF EMPLOYEES ONLY

PERTH AMBOY AND WOODBRIDGE BRANCH (New Jersey Division)									
Interlocking Station	Interlocking Block Station and Train Order Office	STATIONS	Distance From Union	Siding Assigned Direction Car Capacity 80 ft. Cars			Note		
				East or North	West or South	Both			
X	X	UNION	0.0						
		AVENEL	2.0						
		EDGAR	2.7						
		WOODBRIDGE	5.6						
X	X	WOOD (C.R.R.N.J.)	5.8						
		PERTH AMBOY	5.9						
X	X	ESSAY (N.Y. & L.B.&R. and South Amboy Secondary Track)	8.1						
The direction from Union to Wood is westward.									
PASSAIC AND HARSIMUS BRANCH (New Jersey Division)									
X	X	CP WALDO (River Line)	*0.0						
X	X	HACK (Movable Bridge)	1.3						
		MEADOWS YARD	3.3						
X	X	KARNY (Movable Bridge)	7.7						
		WA-2	8.1						
		WA-1	8.2						
X	X	LANE	9.3						
The direction from CP Waldo to Lane is westward. *Distance from CP Waldo.									
GREENVILLE BRANCH (New Jersey Division)									
X	X	BAY (Movable Bridge)	*0.0						
X	X	CY (C.R.R.N.J. Crossing)	1.6						
		WA-2	3.5						
		WA-3	4.2						
The direction from Bay to WA-3 is westward. *Distance from Bay.									
CATSKILL MOUNTAIN BRANCH (New Jersey Division)									
		KINGSTON POINT	*0.0						
		KINGSTON YARD (River Line)	2.9						
		WEST HURLEY	10.2						
		MT. PLEASANT	24.9						
		PHOENIX	27.6						
		BIG INDIAN	36.4						
		GRAND HOTEL	41.5				13		
		FLEISCHMANN	44.2						
		AREVILLE	48.2				15		
		ROXBURY	50.1				23		
		GRAND GORGE	65.5				17		
		STAMFORD	74.0				7		
		HOBART	77.5				19		
		SOUTH EGETRIGHT	81.8				11		
		BLOOMVILLE	86.3						
The direction from Kingston Point to Bloomville is westward. *Distance from Kingston Point.									
WALLKILL VALLEY BRANCH (New Jersey Division)									
		KINGSTON (River Line)	*0.0						
		ROSENDALE	8.1						
		NEW PALTZ	14.9				17		
		GARDINER	20.7				21		
		WALLKILL	26.1						
		WALDEN	29.3				16		
		MONTGOMERY	33.0						
The direction from Kingston to Montgomery is eastward. *Distance from Kingston.									

EXHIBIT K

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 34818

CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO –
PETITION FOR DECLARATORY ORDER

VERIFIED STATEMENT
OF
JOHN D. HEFFNER

My name is John D. Heffner, and I reside at 4034 Ellicott Street, Alexandria, VA 22304. My office address is 1920 N Street, N.W., Suite 800, Washington, D.C. 20036. I attended college at the University of Virginia (B.A. Government 1967) and law school at Emory University (J.D. 1971). I have been a practicing transportation attorney and member of the District of Columbia Bar since 1972.

My professional experience includes three years as a staff attorney in the Office of Proceedings of the former Interstate Commerce Commission and two and one half years with the Office of General Counsel for the United States Railway Association ("USRA"). During my tenure at USRA, I was responsible for, among other things, legal matters relating to the analysis, designation, and conveyance of light density rail lines and passenger-related rail lines. I

participated in preparing sections of the Preliminary and Final Systems Plans¹ as they related to branch lines and passenger lines, negotiated with state and local agencies in connection with preservation of branch line and passenger service, and supported USRA's conveyance efforts relating to branch lines and passenger lines. I am familiar with how USRA determined whether or not to include specific lines in the FSP and then how USRA designated specific lines for conveyance to various parties. I have read and agree with the statements prepared by other witnesses appearing on behalf of Intervenor and offer this statement in support.

On Tuesday morning, March 14, 2006, I accompanied counsel for the Intervenor to the National Archives in College Park, MD. He previously had spoken with Ms. Donna Callis of the Office of the Clerk of the U.S. District Court for the District of Columbia, which has succeeded the jurisdiction of the Special Court, Regional Reorganization Act of 1973. Ms. Callis explained that the maps which the Special Court had used in ordering the conveyances to effect the Final System Plan of the United States Railway Association recently had been sent to the National Archives. In turn, counsel for the Intervenor contacted Mr. Richard Smith, Cartographic Archivist, and explained that he and I wished to see the maps used by the Special Court in ordering the conveyancing of the railroad lines of the United New Jersey Railroad and Canal Company to Consolidated Rail Corporation.

Upon our arrival at the National Archives, a binder containing the maps was awaiting us, and we spent the next hour or so reviewing each of the maps.

I found it noteworthy, first, that the maps were smaller than the ones I previously had seen, measuring approximately 15" x 30". Thus, one inch was equal to two hundred feet.

¹ Hereafter the "FSP."

Second, although the Final System Plan delineated the properties to be conveyed to Conrail by the milepost numbers of the railroad lines, the United New Jersey Railroad and Canal Company "UNJRCC") maps bore no milepost numbers. They, however, were marked with the railroad lines' station numbers.² Station numbers are one hundred feet apart, and, thus, one can calculate the milepost number from the station numbers. Station number 52+80 is the same as milepost 1.0. Third, the only maps the Special Court had used were the ones showing the beginning of the railroad line being conveyed and the ending. There were no maps of the entire lengths of the railroad lines to be operated by Conrail. Fourth, the maps bore handwritten notations for which there were no explanations, except that the maps were marked to identify the USRA Line Code No. to which they related.

Counsel for Intervenors and I had a few of the maps copied. Copies of the two pertaining to the Harsimus Branch, marked V-1.01, ST-1 and V.1.01, ST-2 in the lower right-hand corner, are attached. Map V-1.01, ST-1 shows that the Harsimus Branch extended from Station No. 0+00 (Milepost 0.0) at Waldo Avenue, City of Jersey City, New Jersey³ to Station No. 52+80 just east of where the Branch crosses Henderson Street. Map V-1.01, ST-2, is a continuation of Map V-1.01, ST-1. It shows that the Harsimus Branch continues from Station No. 52+80 to the pier head line in the Hudson River at Station No. 78+03, corresponding to Milepost 1.48 (7803 feet divided by 5280 feet is 1.48 miles). These maps are the ones upon which the Special Court

² Located on the lower right hand side of each map, for example reading "Station 52+80 to Station 78+03."

³ There is a "cut line" at Waldo Ave. showing UNJRCC's New York Division "Main Line west of that point and UNJRCC's New York Division "Harsimus Branch" east of that point.

relied in making its conveyance decisions and represent the best evidence in this proceeding.

I have reviewed the post-conveyance Conrail maintenance and track charts upon which Jersey City appears to rely in contending that the properties purchased by the Intervenor were parts of an active line of railroad and could not be abandoned by Conrail without the advance authorization of the Board, pursuant to 49 U.S.C. 10903. The line of railroad to be operated by Conrail pursuant to the Line Code No. 1420 designation extends between Milepost 1.0 in Jersey City and Milepost 7.0 in Harrison. As I understand it, however, the 6th Street properties which the Intervenor purchased from Conrail lie between Milepost 0.18 west of Division Street and Milepost 0.88 at Henderson Street, now Luis Munoz Martin Boulevard. Thus, the properties purchased by Intervenor clearly were not part of the line of railroad designated by the FSP to be operated by Conrail.

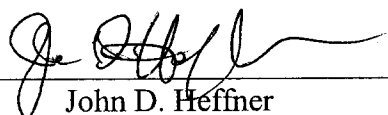
Indeed, the post-conveyance Conrail maintenance and track charts confirm that the properties bought by the Intervenor lie between Milepost 0.18 west of Division Street and Milepost 0.88 at Henderson Street. The intervening cross streets and their milepost designations, Brunswick Street at Milepost 0.36, Monmouth Street at Milepost 0.44, Coles Street at Milepost 0.53, Jersey Street at Milepost 0.62, Erie Street at Milepost 0.71 and Grove Street at MP. 0.80, appear on charts as they do on the official maps which were copied at the National Archives.

Reviewing Jersey City's evidence and argument, I note that the City treats the phrase "line of railroad" as used in the deeds conveying the bankrupt railroads' properties as meaning a "line of railroad" for jurisdictional purposes under 49 U.S.C. 10901-6. In preparing the conveyance documents, however, USRA did not contemplate giving this term a regulatory as opposed to a plain English real estate law meaning. USRA planners considered any piece of real

estate with tracks on it to be a "line of railroad." Clearly, the Harsimus Branch was excepted track and not designated to be operated by Conrail as a "line of railroad."

I declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing statement and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1621, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

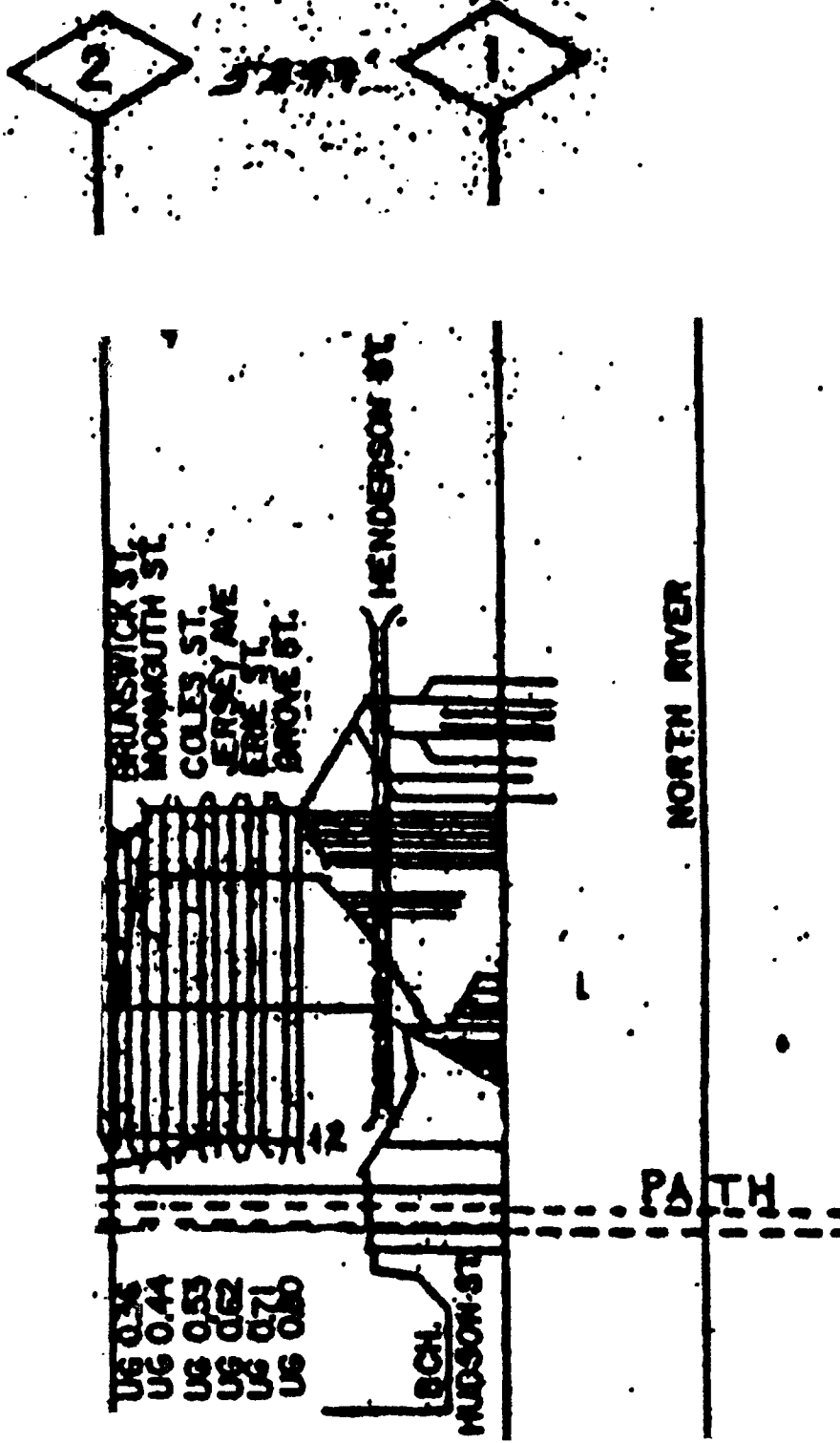
Dated at Washington, DC, this 10th day of April 2006.



John D. Heffner

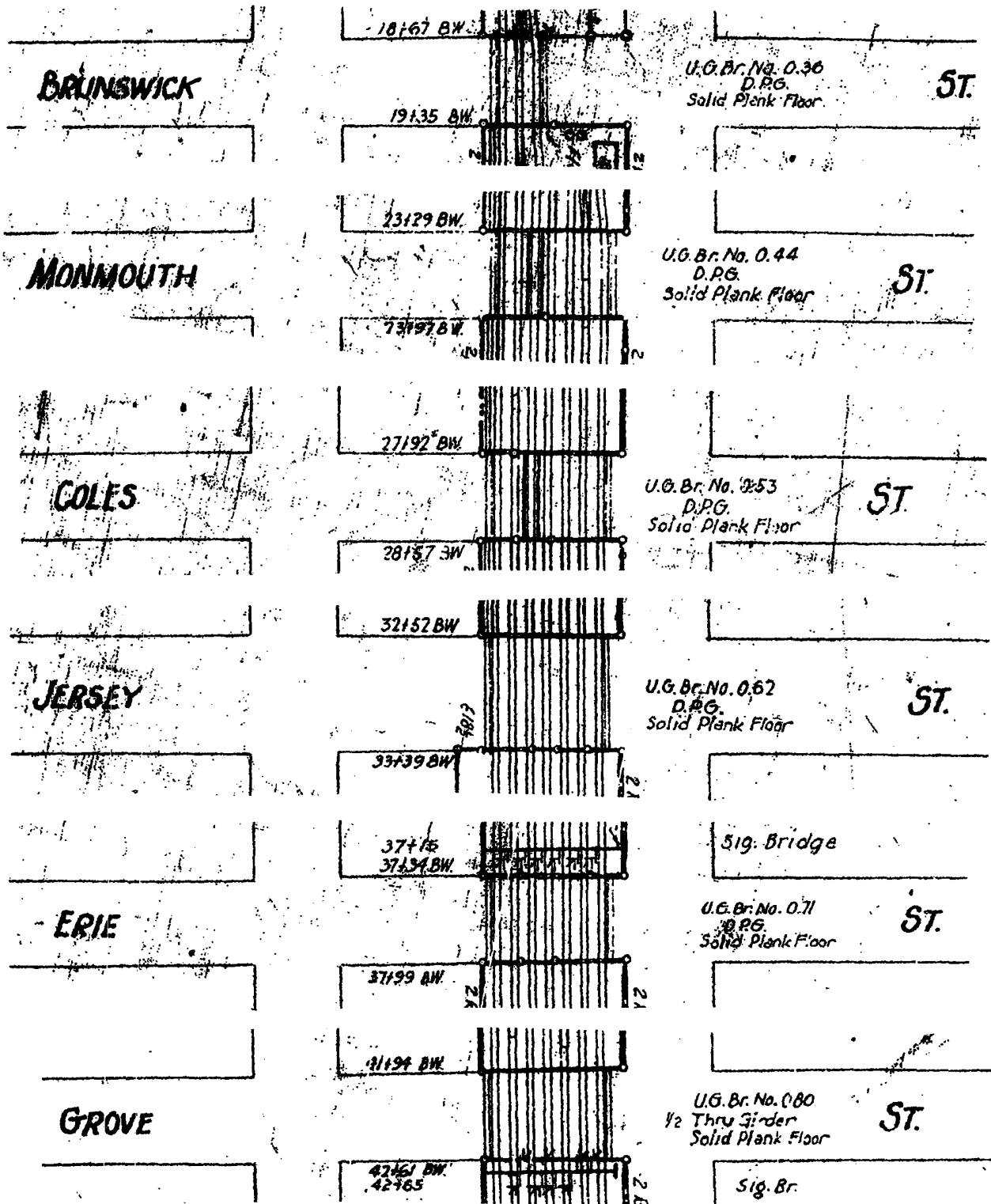
EXHIBIT L

Detail of Conrail 1980 Maintenance and Track Chart



NOTE: Undergrade crossings shown at MP 0.36 for Brunswick Street, MP 0.44 for Monmouth Street, MP 0.53 for Coles Street, MP 0.62 for Jersey Avenue, MP 0.71 for Erie Street and MP 0.80 for Grove Street.

Detail of UNJRR Right of Way and Track Map V 1.01 / ST 1



NOTE: Undergrade crossings shown at MP 0.36 for Brunswick Street, MP 0.44 for Monmouth Street, MP 0.53 for Coles Street, MP 0.62 for Jersey Avenue, MP 0.71 for Erie Street and MP 0.80 for Grove Street.

EXHIBIT M

SURFACE TRANSPORTATION BOARD
WASHINGTON, DC

STB Finance Docket No. 34818
CITY OF JERSEY CITY, RAILS TO TRAILS CONSERVANCY,
PENNSYLVANIA RAILROAD HARSIMUS STEM EMBANKMENT
PRESERVATION COALITION,
AND NEW JERSEY STATE ASSEMBLYMAN LOUIS M. MANZO –
PETITION FOR DECLARATORY ORDER

VERIFIED STATEMENT
OF
VICTOR HAND

My name is Victor Hand, and I reside in Bar Harbor, Maine. I hold a B.A. degree in Economics from New York University and a J.D. from the New York University School of Law. I am a member of the New York Bar.

I have spent my 39 year railroad career working in various capacities in the operating and management ranks of a number of railroads, as a railway operations planner with several railroads, and with the United States Railway Association. For the past 29 years I have worked as a railway planning consultant, specializing in railway operations, line capacity, reorganizations, property matters and litigation support.

I worked in various capacities for the United States Railway Association, established by the Regional Rail Reorganization Act of 1973 (Public Law 93-236). I first held the title of Manager - Line Capacity, and in this position assisted in the preparation of operating plans for Consolidated Rail Corporation and other railroads, and in the selection of facilities and other property that were designated to be transferred to Conrail and other parties in the Final System Plan.

After the publication of the Final System Plan I held the position of Director - Facilities Planning. In this capacity I was given the task of managing the conveyance process, which culminated on April 1, 1976 with the filing of over 450 deeds conveying real property to Conrail and other entities. This was at the time the largest real estate transaction ever consummated in the United States.

AN EXPLANATION OF THE PROPERTY DESIGNATION PROCESS USED BY
USRA

The Regional Rail Reorganization Act of 1973 provided, among other things, that the United States Railway Association "engage in the preparation and implementation of the Final System Plan." Section 206 (c) (1) required the Association to designate "which rail properties of the railroad in reorganization or of railroads leased, operated, or controlled by any railroad in reorganization" were to be transferred to Conrail or other parties. "Rail properties" were defined in Section 102 (10) as assets or rights owned, leased or otherwise controlled by a railroad that are "used or useful in rail transportation service."

It should be noted that Section 303 (b) of the act provides for the Special Court to order the conveyance of "all right title and interest" in the designated properties, not just

the bankrupt railroad estate's interest. This means that a free and clear title was conveyed to the transferees, even if the property was leased, controlled by other means, or subject to any restrictions. See page 222 of the FSP for a full discussion of this point.

A number of various operating scenarios were examined by USRA staff, and once the preferred plan was arrived at, USRA followed a two-step process to determine which specific assets were to be designated for transfer to Conrail or other parties.

- Lines of railroad, yards and terminal facilities required for movement of through traffic were identified by USRA's operating group under the direction of Charles W. Hoppe. These properties in some cases also served as facilities used to gather and distribute traffic, but since they were needed in order to classify, marshal, and move through trains, they were included in the plan without detailed examination of their potential to generate revenue traffic.

- Other lines of railroad, including secondary lines, branches and associated yards and terminal facilities that were not needed for movement of through traffic were included in the plan based on their financial viability as generators of traffic.

Some high traffic lines were included based on a brief traffic analysis. Other lines were examined in detail by the USRA Office of Strategic Planning under the direction of James W. McClellan. If these lines or facilities met certain criteria, they were designated for transfer to Conrail or other parties. If they did not, they were designated as "Available for Subsidy." Mr. McClellan explains this process more fully in his verified statement filed as a part of this proceeding.

Once the Final System Plan was published on July 26, 1975, Section 303 (b) of the act required the Special Court to order the conveyance of properties designated to Conrail and other parties. USRA and the trustees of the various bankrupt railroads collaborated in the conveyance process. Other interested parties also participated.

AN EXPLANATION OF THE CONVEYANCE PROCESS USED BY USRA

The designations of property contained in the Final System Plan were by necessity general in nature, and identified real property assets by line name, mile post, and facility names. These general descriptions of property were not set forth in terms that would satisfy normal conveyancing standards. In order to convey the property, deeds would have to be prepared that identified exactly what specific property would be conveyed to transferors and what would be left with the estates of the bankrupt railroads.

The situation was complicated by the fact that property that was not "used or useful in rail transportation" was required by the act to be left with the bankrupt estates, and the trustees identified more than 8,000 individual parcels of land and 1,200 lines of railroad that they alleged should not be conveyed.

There were more than 22,000 miles of line and hundreds of yards and terminal facilities involved in the reorganization, and USRA realized that resurveying all of this land would be impossible within the time constraints that existed and prohibitively expensive.

USRA chose to use as the basis of the conveyance of real property the railroad "valuation maps" that had been prepared by all steam railroads pursuant to an order of the Interstate Commerce Commission. The maps were prepared after detailed surveys during 1915-1920, and were generally at the scale of 1 inch to 100 feet. The railroads had adopted these maps as the basis of their real estate records, and had, in general, kept them

up to date. They provided an invaluable record of what was actually owned by the involved railroads.

As the conveyance process worked out, the trustees indicated on each valuation map the properties that they alleged were not "used or useful in rail transportation service." Members of the USRA operating staff then examined each parcel or line cut in the field, usually accompanied by representatives of the estates, the transferees, and other interested parties such as local governments and transit agencies. USRA staff made decisions regarding the use or usefulness of each property, and after negotiations USRA determined exactly what property was to be conveyed. Deeds were then prepared for each line to be conveyed, with appropriately marked maps as a part of many of the deeds.

The conveyance process was a massive undertaking involving dozens of USRA staff and many other people from the bankrupt estates and other entities. As mentioned above, I managed the day to day working of this process for USRA, and am well aware of the details and oddities involved in the conveyance.

THE DEEDS

USRA was faced with the necessity to fully describe the property being conveyed, but it was important that no critical piece of property be omitted, since the railroad had to be able to operate on the day after conveyance. For this reason a rather novel form of deed was chosen by USRA involving "negative conveyances." These deeds conveyed all of the property in under, above, along, contiguous to, adjacent to or connecting to the subject line of railroad or facility that was owned by the transferor in the particular political jurisdiction. The deeds then went on to except certain parcels of property from conveyance, which were marked on specifically prepared valuation maps that were made part of the deed. The net effect of this process was that everything owned by the transferors was conveyed unless it was specifically excepted on the maps. If there were railroad lines or facilities designated to be operated by Conrail or another railroad pursuant to the Final System Plan which included no parcels of real estate which the conveying estate of a bankrupt railroad had a right to retain, no map of that railroad line was attached to the deed or recorded.

The deeds ran from the estates of the bankrupt railroads to Conrail or other transferors, and they were recorded in each of the counties in which the lines or facilities were located or, if local law permitted, with the Secretary of State of the state in which the lines or facilities were located. New Jersey was such a state.

Needless to say, I couldn't possibly recall the contents of the hundreds of deeds which I assisted in preparing. But my familiarity with the process of preparing these deeds allows me to properly interpret the meaning of the deed at issue in this proceeding.

HISTORY OF OWNERSHIP OF THE HARSIMUS BRANCH

The Final System Plan specifically designated for transfer to Conrail the Harsimus Branch (Line Code 1420) between milepost 1.0 in Jersey City and milepost 7.0 in Harrison (Page 272) and portions of Harsimus Cove Yard in Jersey City (Pages 262 and 263).

The Harsimus Branch, also known as the Passaic and Harsimus Branch, was constructed in 1872 as a freight bypass generally parallel to the United New Jersey Railroad and Canal Company's main line from its Exchange Place Station in Jersey City

to Harrison. In conjunction with the construction of the freight line, the yards at Harsimus Cove were built. The land under the Harsimus Cove facility had been acquired from two sources. First, land to the north of the Exchange Place Station was purchased for \$1 million from private interests. This was a lot of money in the 1860's. In addition, \$500,000 was paid to the State of New Jersey in return for a legislative grant dated March 30, 1868, allowing the United New Jersey Railroad and Canal Company to fill in tidal lands in the Hudson River at Harsimus Cove. By 1872 a long timber trestle had been built from Waldo Avenue (where the freight line diverged from the alignment of the passenger line) into the Harsimus Cove yards. In 1887 an 1,193 foot long steel trestle was built to replace part of the wooden trestle, and over the next few years the remaining portion of the wooden trestle was filled in with earth. The Harsimus Cove yards were expanded during the 1880's, in 1917, and again during the 1920's. At their peak they contained coal piers, warehouses, grain elevators and stockyards, and were the major facilities handling rail-marine traffic to piers and yards in New York City.

On June 30, 1871, the Pennsylvania Railroad leased the entire property of the United New Jersey Railroad and Canal Company (including Harsimus Cove yards) for 999 years. The Pennsylvania Railroad was merged into Penn Central Transportation Company on February 1, 1968. The bankrupt Penn Central owned Harsimus Cove at the time of the conveyance to Conrail on April 1, 1976.

During the 1950's and 1960's traffic at Harsimus Cove had begun to decline. Much rail-marine traffic was being handled at Greenville yards several miles to the south, and coal traffic had ended. Other traffic had also declined, and by the 1970's parts of the yard were no longer needed. For this reason USRA determined that some areas of the Harsimus Cove yard were not "used or useful in rail transportation." These areas were not designated to Conrail, and were marked on the appropriate valuation maps appended to the deed for the Harsimus Branch to be excluded from the conveyance. By the 1990's traffic at Harsimus Cove had further declined. Conrail no longer needed the track on the steel trestle and embankment between Harsimus Cove yards and Waldo Avenue. The track was removed, and Conrail sold the excess property.

THE DEED FOR THE HARSIMUS BRANCH

I am advised that the instant declaratory order proceeding before the Surface Transportation Board, successor to the Interstate Commerce Commission, involves a controversy about the conveyance of property of the United New Jersey Railroad and Canal Company, which, pursuant to a 999-year lease, long had been operated by the Pennsylvania Railroad and its successor, Penn Central Transportation Company.

The Final System Plan designated Conrail to operate United New Jersey's Harsimus Branch, Line Code 1420, from Milepost 1.0 in Jersey City to Milepost 7.0 in Harrison, Hudson County, New Jersey. The deed, however, specifically conveyed certain property:

Situate in the county of Hudson, State of New Jersey, and being the United New Jersey Railroad and Canal Company's line of railroad known as the Penn Central Harsimus Branch and being all the real property in the County lying in, under, above, along, contiguous to, adjacent to or connecting to such line.

Such line originates in the County at Harsimus Cove, passes through Journal Square, and terminates in the County near the junction with the Penn Central New York-Philadelphia Main Line, west of the New Jersey Turnpike Overhead Bridge.

The line of railroad described herein is identified as Line Code 1420 in the records of the United States Railway Association.

The Harsimus Cove yards (with the exception of certain portions marked on the maps appended to the deeds) and the line connecting the yards to Waldo Avenue east of Journal Square were included in this deed, since they were adjacent to or connecting to the Harsimus Branch, which was designated in the Final System Plan to be operated by Conrail as a railroad line.

As I explained above, the deed in question was a negative deed, conveying all of the United New Jersey's property rights in the Harsimus Branch unless specifically excepted. The property in controversy was adjacent to and connected to the line of railroad that was designated, and was not excepted on the maps made part of the deed. Indeed, the valuation map that covers the property (V1.01 map ST-1) was not made a part of the deed because no excepted property was on this map. The property in question was therefore, in my opinion, conveyed to Conrail in 1976. Once Conrail acquired the title to the property, it used it for rail operations for a number of years. Eventually, Conrail no longer needed parts of the property and tracks were removed and the land sold.

THE PROPERTY IN QUESTION WAS PART OF HARSIMUS COVE YARD

The freight tracks east of Waldo Avenue that entered the Harsimus Cove Yards on the steel trestle (also called "the elevation") were considered by the Pennsylvania Railroad, Penn Central and Conrail to be part of the Harsimus Cove Yards, and were under the operational control of the Yardmaster at Harsimus Cove, whose office was located at the east end of the elevation.

Early in my railroad career I was employed as a brakeman on the New Jersey Division of the Penn Central Transportation Company. While so employed I served on several occasions as a member of a crew operating a freight train into the Harsimus Cove Yards. These trains used the Passaic and Harsimus Branch between Waverly Yard in Newark and CP Waldo at Waldo Avenue in Jersey City. This line was controlled by automatic block signals and interlockings controlled by the Dispatcher. East of CP Waldo, these trains were on yard trackage controlled by the Yardmaster at Harsimus Cove.

The Penn Central Transportation Co. Employees Timetable #11 for the Eastern and Atlantic Regions dated May 19, 1974 (Page 377) specifically lists these tracks as yard tracks, as does Conrail's Atlantic Region Employees Timetable #1 dated April 27, 1980 (Page 179). Copies of the pertinent pages from these timetables are attached to this statement as exhibits A and B. Thus no formal abandonment proceedings were required when use of this property was discontinued by Conrail.

I declare under penalty of perjury, under the laws of the United States of America, that I have read the foregoing statement and that its assertions are true and correct to the best of my knowledge, information and belief. I further declare that I am qualified and authorized to submit this verification. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by imprisonment up to five years and fines up to \$10,000 for each offense. Additionally, these misstatements are punishable as perjury under 18 U.S.C. 1612, which provides for fines up to \$2,000 or imprisonment up to five years for each offense.

Dated at Bar Harbor, ME, this 10th day of March 2006.


Victor Hand

Exhibit A

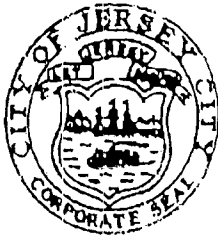
YARD AND OTHER TRACKS (CONTINUED)		
LOCATION	TRACK	PORTION EQUIPPED FOR AC ELECTRICAL OPERATION
Meadows (Cont'd)	Nos. 12 and 19 Eastward Storage Nos. 1 to 15, inclusive Westward Classification Yard West End Nos. 17 to 22, inclusive Westward Classification Yard Running 1, 2 and 3 Flat 1, 2 and 3 Berwind Ladder East End Eastward Class Yard Cabin and No. 1 Lead	Entire, including ladders at both ends Entire, including ladders at west end 133 feet east Entire Entire Entire Entire Entire
Hudson	Nos. 11, 13, 14, 15 and 16	Entire
Hunter St. Yard	Drill and Naught	Entire
Waverly	Speedway, Naught and Running No. 1 No. 8 East End Yard Bay Line Spur Nos. 1, 2, 3 and 13 Eastward Receiving Yard West End Nos. 5 to 12 inclusive Eastward Receiving Yard East End Nos. 9 to 12 inclusive Eastward Receiving Yard WA-6 Spur Track Old Westward WA-6 No. 1 Westward Empty Yard Nos. 2 to 12 inclusive Westward Empty Yard Empty Yard Stub Nos. 5 to 11 inclusive Westward Preference Yard	WA-5 to WA-6 WA-5 to WA-4 Entire Entire 300 feet east 400 feet west Entire Entire 250 feet east end 300 feet east end Entire 300 feet east end
Durant Yard	A and B East End	400 feet west
Rahway	Tail Track West End	510 feet east
Monmouth Jct.	Set-Off on Jamesburg Branch	Entire
Princeton	5	3230 feet east of Princeton Junction
Sunnyside Yard	Nos. 1 to 23 and 25 to 35 inclusive Nos. 2 to 6 Leads inclusive Nos. 1 to 4 Leads inclusive R and Q Interlocking Enginehouse and Shop Delivery, Boiler House, Incinerator and Sand House	Entire Entire Entire Entire Entire including Ladder track leading from No. 4 Lead, R Interlocking and Ladder track leading from No. 6 Lead, R Interlocking Entire
Harsimus Cove	Nos. 3, 4 and 6 Nos. 2, 3, 4 and 10	Between facing hand-operated switch for westward movement from west end of elevation to Yardmaster's office at east end of elevation From Yardmaster's office eastward to end of track
Greenville	Nos. 1 and 2 Departure Yard No. 3 Departure Yard No. 4 Departure Yard Nos. 5 and 6 Departure Yard No. 7 Departure Yard No. 8 Departure Yard No. 9 Departure Yard No. 10 Departure Yard No. 11 Departure Yard No. 3 and No. 4 Hump Southwest Lead Nos. 1 and 2 Float	475 feet west end 525 feet west end 600 feet west end 675 feet west end 638 feet west end 563 feet west end 525 feet west end 475 feet west end 1400 feet west end 1190 feet east of connection to No. 4 track Entire including Lead

Exhibit B

1167-A6 AC ELECTRICAL OPERATION — Continued
YARD AND OTHER TRACKS

LOCATION	TRACK	PORTION EQUIPPED FOR AC ELECTRICAL OPERATION
Meadows	Nos. 12 and 19 Eastward	Entire, including ladders at both ends
	Storage	Entire, including ladders at west end
	Nos. 1 to 15, inclusive	133 feet east
	Westward Classification Yard	
	West End Nos. 17 to 22, inclusive	
	Westward Classification Yard	Entire
	Running 1, 2 and 3	Entire
	Flat 1, 2 and 3	Entire
	Benwind	Entire
	Ladder East End Eastward	Entire
Hunter St. Yard	Class Yard	
	Cabin and No. 1 Lead	Entire
	Drill and Naught	Entire
	Speedway, Naught and Running No. 1	WA-5 to WA-6
	No. 8 East End Yard	WA-5 to WA-4
	Bay Line Spur	Entire
	Nos. 1, 2, 3 and 13 Eastward	Entire
	Receiving Yard	
	West End Nos. 5 to 12 inclusive	300 feet east
	Eastward Receiving Yard	
Waverly	East End Nos. 9 to 12 inclusive	400 feet west
	Eastward Receiving Yard	
	WA-6 Spur Track	Entire
	Old Westward WA-6	Entire
	No. 1 Westward Empty Yard	250 feet east end
	Nos. 2 to 12 inclusive	300 feet east end
	Westward Empty Yard	
	Empty Yard Stub	Entire
	Nos. 5 to 11 inclusive	300 feet east end
	Westward Preference Yard	
Durant Yard	A and B East End	400 feet west
	Tail Track West End	510 feet east
Rahway	Set-Off on Jamesburg Branch	Entire
Monmouth Jct.		
Princeton	5	3230 feet east of Princeton Junction
Harsimus Cove	Nos. 3, 4 and 6	Between facing hand-operated switch for westward movement from west end of elevation to Yardmaster's office at east end of elevation
	Nos. 2, 3, 4 and 10	From Yardmaster's office eastward to end of track
New Garden	No. 3	Entire
	West End Nos. 4, 5 and 6	700 feet east
	Oak Island Interchange	For 1200 feet east of connection to No. 1 Greenville Branch
	CY Interlocking	Entire

EXHIBIT N



HERB SCHUNDLER, MAYOR
CITY OF JERSEY CITY

DEPARTMENT (C)
Housing & Economic Development

DIVISION OF ECONOMIC DEVELOPMENT

30 Montgomery Street, Jersey City, N.J. 07310

Phone: (201) 547-507

Fax #: (201) 547-656

August 21, 1997

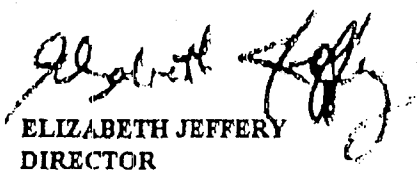
Robert Tracy
Property Manager
Conrail
510 Thornall Street
Edison, New Jersey 08837

Dear Mr. Tracy:

In furtherance of our August 6th meeting, the City of Jersey City is requesting access to Conrail's Sixth Street corridor property for the purpose of performing environmental testing and analysis. Due to the magnitude of fill material which would have to be removed in order to bring the property to existing grade in the area, it is critical to ascertain the soil conditions as quickly as possible. Enclosed for your review is a proposed form of License Agreement for entry on the premises. It represents a modified version of previous Agreements the City has entered into with Conrail.

Your consideration and timely response to this request is greatly appreciated.

Very truly yours,


ELIZABETH JEFFERY
DIRECTOR

EJ:cb

cc: Thomas Gallagher, Director
Colleen Yewaisis, DED/HED
Paul Hamilton, Executive Director, JCRA

AGENCY		DATE (MM/DD/YY) 11/20/97			
PRODUCER K.A.M. Insurance Agency Inc. 414 West Side Ave. Jersey City NJ 07304		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
		COMPANIES AFFORDING COVERAGE			
		COMPANY A AMERICAN SAFARI			
		COMPANY B			
		COMPANY C			
		COMPANY D			
INSURED JERSEY CITY REDEVELOPMENT AGENCY 11 MONTGOMERY STREET ROOM 400 JERSEY CITY NJ 07302					
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.					
CO LN	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTORS PROT	BL57023	4/22/97	4/22/98	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPOUND AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 10,000 AUTO DOG (Any one person) \$ 1,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	BOAT LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
A	UMBRELLA LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				STATUTORY LIMITS \$ EACH ACCIDENT \$ DAMAGE - POLICY LIMIT \$ DAMAGE - EACH EMPLOYEE \$
A	OTHER AMENDMENT TO LIMITS REQUIRED BY CONTRACT TO \$1,000,000 & ADDITIONAL	BL57023	11/24/97	4/22/98	AGGREGATE \$ 2,000,000 EACH OCCURRENCE \$ 2,000,000 ADDITIONAL LIMITED
DESCRIPTION OF OPERATIONS/LOCATION/VEHICLE/SPECIAL ITEMS CONSOLIDATED RAIL CORP., 2001 MARKET ST PHILADELPHIA PA IS ADDITIONAL INSURED PER LICENSE REQUIREMENT/VALUER OF SUBORDINATION INVOLVED/DO CANCELLATION CLAUSE FOR 1 REBANKMENTS ALONG 6TH ST BETWEEN BRUNSWICK & MARIN AVE JERSEY CITY NJ BLK388, LOT 20, BLK 384, LOT 20, A, BLOCK 167 LOT 20, BLK 388 LOT 20, BLK 167 LOT 20, A, BLK 311, LOT 11					
CONSOLIDATED RAIL CORP. 2001 MARKET ST PHILADELPHIA PA 19101			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL endeavor TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. IF FAILURE TO MAIL SUCH NOTICE SHALL IMPROVE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY ITS AGENTS OR REPRESENTATIVES.		

A G E N D A

6th Street ANR Study Area -

Board authorization is requested to enter into a license agreement with Conrail, the owner of property commonly known as the Sixth Street viaduct, running between Newark Avenue and Marin Boulevard. The City Council has directed an "Area in Need of Redevelopment" (ANR) investigation by the Jersey City Planning Board and City Planning Division. The owner of the property, Conrail, has approached the Agency on more than a few occasions concerning its purchase. This will enable the Agency to proceed with due diligence environmental sampling and demolition/clearance estimating for further purpose of entering purchase negotiations with Conrail.

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE JERSEY CITY REDEVELOPMENT AGENCY AUTHORIZING ENTERING INTO A LICENSE AGREEMENT WITH CONRAIL IN THE SIXTH STREET ANR STUDY AREA

Paul W. Hamilton

CONRAIL.



October 28, 1997

Ms. Elizabeth Jeffrey
Director, Division of Economic Development
City of Jersey City
30 Montgomery Street
Jersey City, NJ 07302

Re: Jersey City, Hudson County, NJ, Former P&H Branch

Dear Ms. Jeffrey:

Per my conversation with your office, in the appraisal we had completed for the above mentioned property, the appraiser made certain assumptions. One of which is that the value of the elevated parcels may increase or decrease depending on whether or not the fill is saleable.

Please let me know if you have any further questions or need any additional information.

Sincerely,

Robert J. Tracy
Property Manager

COMMISSIONERS

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WILLIAM A. GAUGHAN
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JERSEY CITY REDEVELOPMENT AGENCY

30 MONTGOMERY ST., ROOM 901
JERSEY CITY, N.J. 07302-3821
(201) 547-5810
FAX: (201) 547-4876

EXECUTIVE

PAUL W. HAMILTON
EXECUTIVE DIRECTOR
FRANCIS E. SCHILLER, ESQ.
GENERAL COUNSEL
BRET SCHUNDLER
MAYOR

October 29, 1997

Mr. Robert Tracy, Assistant Manager
CONRAIL Real Estate Field Services
510 Thornall Street - Suite 390
Edison, New Jersey 08837

RE: P & H Branch
Brunswick Street to Marin Boulevard
Jersey City, New Jersey

Dear Mr. Tracy:

Following up on our August 6th meeting and Conrail's form of License Agreement, please be informed that JCRA is hiring New Jersey licensed professionals to conduct the site investigations which we agreed were necessary, primarily for three reasons.

Two of these result from Conrail's property appraisal approach which relied upon the facts that:

1. the property is "clean," i.e., absent of any pollutants or contaminants in excess of New Jersey Department of Environmental Protection (NJDEP) residential standards, and;
2. demolition, clearance and off-site disposal costs for the removal of the embankments, their abutments, retaining walls and comprising soils, have not been considered.

The third reason for JCRA's site investigation is that Conrail's standard practice is to sell the property with no environmental liability for Conrail, essentially, with an environmental indemnity from the buyer. Consequently, JCRA must perform rigorous due diligence evaluations in order to either satisfy itself of the condition stated and assumed by Conrail in #1 above; or, to bring the information to the contrary, and relative to #2 above, to bear on the negotiation of the price to be paid for the property at closing.

Mr. Robert Tracy
October 29, 1997
Page #2

JCRA is about to perform an extensive and costly site investigation and due diligence review in order to negotiate a sales price with Conrail which sets-off the environmental remediation cost, if any, and the demolition and clearance costs from Conrail's appraised value. If this is not Conrail's agreement, please indicate that in writing to me within the next two weeks. By that time JCRA's professional consultants will be commencing the site investigation.

The enclosed License Agreement has been executed on JCRA's part. JCRA's receipt of an original License Agreement with Conrail's signature will be considered by JCRA as acceptance of the terms stated in this letter regarding the negotiation sales price.

As you know, from negotiating with other public governmental bodies, JCRA must be accountable publicly for all of its expenditures and should not be spending potentially up to \$100,000 of public funds in transaction costs alone without a basic understanding with Conrail concerning the business terms and their negotiation.

JCRA looks forward to receipt of the License Agreement and concluding this transaction with Conrail before year's end. With that in mind, please send me Conrail's draft Contract for Sale and call me to schedule to meet in late November, early December to finalize it.

Thank you for your attention to this transaction.

Sincerely,

PAUL W. HAMILTON
Executive Director

PWH/baa
Enclosure

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE JERSEY CITY
REDEVELOPMENT AGENCY AUTHORIZING ENTERING INTO A LICENSE
AGREEMENT WITH CONRAIL IN THE SIXTH STREET ANR STUDY AREA**

WHEREAS, Conrail is the owner of certain property known as the Sixth Street viaduct, which is located between Newark Avenue and Marin Boulevard; and

WHEREAS, the Municipal Council of the City of Jersey City has recently declared the area as an "Area in Need of Redevelopment" (ANR); and

WHEREAS, Conrail is desirous of selling this property to the Agency and is now actively seeking to negotiate said sale with the JCRA; and

WHEREAS, Agency staff has deemed it necessary to enter into a license agreement with Conrail to enter upon the property to conduct certain environmental samplings as well as perform demolition and site clearance estimates.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Jersey City Redevelopment Agency that the Agency is hereby authorized to 1) enter into a License Agreement with Conrail to permit such access as may be required for the above stated purposes.

BE IT FURTHER RESOLVED, that the Chairman, Vice Chairman and/or Secretary are hereby authorized to execute any and all documents necessary including instruments of conveyance to effectuate this Resolution subject to the review and approval of the Agency's General Counsel.

SECRETARY

Certified to be a true and correct copy of a Resolution of the Board of Commissioners of the Jersey City Redevelopment Agency adopted at their Regular Meeting of October 21, 1997 adjourned to November 6, 1997.

COMMISSIONERS

L. HARVEY SMITH
CHAIRMAN
ROBERT GALLAGHER
VICE CHAIRMAN
RICHARD MENDEZ
HELEN BRZOZOWSKI
RUSSELL WALLACE
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JERSEY CITY REDEVELOPMENT AGENCY

30 MONTGOMERY ST., ROOM 901
JERSEY CITY, N.J. 07302-3821
(201) 547-5810
FAX: (201) 547-4876

EXECUTIVE

PAUL W. HAMILTON
EXECUTIVE DIRECTOR
FRANCIS E. SCHILLER, ESQ
GENERAL COUNSEL
BRET SCHUNDLER
MAYOR

November 10, 1997

Mr. Robert J. Tracy
Consolidated Rail Corporation
Real Estate Department
510 Thornall Street
Suite 390
Edison, New Jersey 08837

Re: 6th Street Railroad Embankments, Jersey City, NJ

Dear Mr. Tracy:

The Jersey City Redevelopment Agency (JCRA) has chosen Dresdner Robin Environmental Management, Inc., located at 43 Montgomery Street, Jersey City, New Jersey, as its consultant to conduct environmental and geotechnical investigations on the above-referenced site. The JCRA is in the process of obtaining certificates of insurance reflecting Conrail's requirements.

On the basis of having previously sent you the JCRA executed License Agreements and the above information concerning its consultant now made available in order for you to "fill in the blanks" contained in the License, please have Conrail sign the License and return one executed original to me. The insurance certificate meeting Conrail's requirements will be forthcoming. If you have any questions concerning this project please contact Paul Hamilton at (201)547-4799 or myself at (201)547-5428.

Sincerely,

Carolyn Leong
Environmental Project Manager

cc: Paul Hamilton, Executive Director, JCRA
Colleen Yewaises, HEDC

ACORD 203 (11/7/87)

PRODUCER Environmental Ins. Consultants 33 Wood Avenue South PO Box 279 Iselin, NJ 08830-0281		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED WreGLer Rubin Environmental Management, Inc. 45 Montgomery Street Jersey City, NJ 07302		COMPANIES AFFORDING COVERAGE	
		COMPANY A	Balance National Indemn.
		COMPANY B	The Camden Fire Ins. Co.
		COMPANY C	Aberdeen National Fire
		COMPANY D	

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LINE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> PRODUCTS & CONTRACTS PROT	NH8173073M	06/30/87	06/30/94	GENERAL AGGREGATE	1 2,000,000
					PRODUCTS - COMPOF AM	1 2,000,000
					PERSONAL & ADY INJURY	1 1,000,000
					EACH OCCURRENCE	1 1,000,000
					FIRE DAMAGE (ANY ONE IN)	1 50,000
					MED EXP (ANY ONE PERSON)	2 5,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NAMED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BA00732808	06/1/87	05/1/94	COMBINED SINGLE LIMIT	1 1,000,000
					BODILY INJURY (PER PERSON)	1
					BODILY INJURY (PER INCIDENT)	1
					PROPERTY DAMAGE	1
	LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	1
					OTHER THAN AUTO ONLY	
						1
						1
C	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	EXC170882204	06/30/87	06/30/94	EACH OCCURRENCE	1 4,000,000
		EXCLUDES PROP. LIABILITY			AGGREGATE	1 4,000,000
						1
D	WORKERS COMPENSATION AND EMPLOYERS LIABILITY THE PROPRIETOR, PARTNERS, OFFICERS AND DIRECTORS ARE: <input type="checkbox"/> INC <input type="checkbox"/> IND	WC421283300	06/01/87	06/01/94	<input checked="" type="checkbox"/> NO RETIREMENT UNIT <input type="checkbox"/> RETIREMENT UNIT	
					EL EACH ACCIDENT	1 100,000
					EL DISEASE - POLICY LIMIT	1 500,000
					EL DISEASE - EA EMPLOYEE	1 100,000
A	Other Consultants Environmental Liability	NTF184286003	06/1/87	06/1/94	Each Claim Aggregate	1,000,000 2,000,000

DESCRIPTION OF SUBSIDIARIES, JOINT VENTURES, PARTNERSHIPS, AND CONSOLIDATED REAL CORPORATION, Jersey City Redevelopment Agency and The Insureds on the General and Professional Liability policies, as per the Waiver of Subrogation included under the General Liability policy.

City of Jersey City are named as additional terms and conditions of the policies.

COMMERCIAL RAIL CORPORATION Jersey City Redevelopment Agency	DOES ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL INDICATE TO MAIL BY DATE WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO DELAYATION OR LIMITATION OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.
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Jersey City Redevelopment Agency

January 28, 1998

Message Transmittal

TO: Mr. Robert Tracy
Consolidated Rail Corporation
Real Estate Department
510 Thornall Street, Suite 390
Edison, New Jersey 08837

FROM: Carolyn Leong

SUBJECT: 6th Street Embankment Project Area, Jersey City, NJ

COPY: Paul Hamilton

Enclosed please find four executed License Agreements for the above-referenced project. Please return a fully executed License Agreement to myself or Paul Hamilton as soon as possible. If you have any questions, please contact me at (201)547-5428 or Paul Hamilton at (201)547-4799. Thank you for your cooperation.

Sincerely,


Carolyn Leong
Environmental Project Manager

JERSEY CITY REDEVELOPMENT AGENCY

30 Montgomery Street-9th Floor, Jersey City, NJ 07302 201/547-5810 FAX: 201/547-4876



Bret Schundler, Mayor
CITY OF JERSEY CITY

DEPARTMENT OF
Housing, Economic Development and Commerce
City Planning Division

30 Montgomery Street Suite 416, Jersey City, NJ 07302-3821

Phone: (201) 547-5010

Fax: (201) 547-4123

February 11, 1998

Dear Property Owner:

Please be advised that the Jersey City Planning Board will hold a Public Hearing on the matter of the Sixth Street Study Area and Sixth Street Redevelopment Plan on March 10, 1998, at 5:30 P.M. in the Council Chambers, City Hall, 280 Grove Street, Jersey City, NJ. The area under study is comprised of Block: 212 Lot: M, Block: 247 Lot: 50A, Block: 290 Lot: 50A, Block: 317.5 Lot: 50A, Block: 317.5 Lot: 50A, Block: 354.1 Lot: 50A and Block: 389.1 Lot: 50 and the alleys/lanes abutting these parcels to the south and running between Brunswick Street, Monmouth Street, Coles Street and Jersey Avenue. The entire area is located along 6th Street between Louis Munoz Marin Boulevard and Brunswick Street.

The Study was prepared to enable the Planning Board to make a determination as to whether or not the area known as the Sixth Street Study Area qualifies as an "area in need of redevelopment" as defined in New Jersey law (NJSA 40A:12A-1 et seq.), and if so, to recommend to the Jersey City Municipal Council that the Study Area be declared "in need of redevelopment". At this Public Hearing, the Planning Board will also consider a Redevelopment Plan for the Sixth Street Study Area which will include development standards for the area and a list of properties to be acquired under said Plan within the study area. The Planning Board will recommend appropriate action on the Sixth Street Redevelopment Plan to the Municipal Council.

All interested persons, both for and against the proposed determination and/or the Redevelopment plan, are invited to attend the meeting and will be given an opportunity to address the Planning Board. It is expected that formal action will be taken by the Planning Board at this Public Hearing.

The Study Report and a map of the proposed study area and the proposed Redevelopment Plan have been prepared and are available for public inspection at the Office of the City Clerk, City Hall, 280 Grove Street, Jersey City, New Jersey and the Division of City Planning, 30 Montgomery Street, Suite 416, Jersey City, NJ.

If you have any questions regarding the above referenced matter, please contact the City Planning Division at 201-547-5010.

Sincerely,

Maryann Buccic-Carter, PP, AICP
Division of City Planning



Bret Schundler, Mayor
CITY OF JERSEY CITY

**DEPARTMENT OF
Housing, Economic Development and Commerce
City Planning Division**

30 Montgomery Street, Suite 416, Jersey City, N.J. 07102-3821

Phone (201) 547-5010

Fax (201) 547-4323

February 13, 1998

Dear Property Owner:

Please be advised that the Jersey City Planning Board will hold a Public Hearing on the matter of amending the Grove Street and Luis Marin Munoz Blvd. Redevelopment Plans to include a portion of area within these plans to make it part of the proposed Sixth Street Study Area and Sixth Street Redevelopment Plan on March 10, 1998, at 5:30 P.M. in the Council Chambers, City Hall, 280 Grove Street, Jersey City, NJ. The area of the Grove Street Redevelopment Plan to become part of the Sixth Street Redevelopment Plan is Block 247 Lot 50.A; and, the area within the Luis Marin Munoz Blvd. Redevelopment plan to be made part of the Sixth Street Plan is Block 212 Lot M.

The Planning Board will recommend appropriate action on these redevelopment Plan amendments to the Municipal Council.

All interested persons, both for and against the proposed amendments, are invited to attend the meeting and will be given an opportunity to address the Planning Board. It is expected that formal action will be taken by the Planning Board at this Public Hearing.

The proposed amendments are available for public inspection at the Office of the City Clerk, City Hall, 280 Grove Street, Jersey City, New Jersey and the Division of City Planning, 30 Montgomery Street, Suite 416, Jersey City, NJ.

If you have any questions regarding the above referenced matter, please contact the City Planning Division at 201-547-5010.

Gerald Sheehan, Chairman
Jersey City Planning Board

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JERSEY CITY REDEVELOPMENT AGENCY

30 MONTGOMERY ST., ROOM 901
JERSEY CITY, N.J. 07302-3821
(201) 547-5810
FAX: (201) 547-4876

EXECUTIVE

PAUL W. HAMILTON
EXECUTIVE DIRECTOR
FRANCIS SCHILLER, ESQ.
GENERAL COUNSEL
BRET SCHUNDLER
MAYOR

May 4, 1998

Ms. Christina Kazokas
Consolidated Rail Corporation, Inc.
2001 Market Street, #6A
Philadelphia, Pennsylvania 19101-1406

Re: 6th Street Embankment Temporary Lease Permitting Entry on Property

Dear Ms. Kazokas:

I am writing directly to you in an effort to expedite review and reconsideration of some of the License provisions in the form recently received by this office from Consolidated Rail Corporation, Inc.'s (Conrail) Real Estate Division (copy attached). The Jersey City Redevelopment Agency (JCRA) has reviewed the most recent form of License Agreement provided by Conrail for the above-referenced site and has the following comments:

(1) The Licensee should be changed from Dresdner Robin Environmental Management, Inc. (DREM) to the Jersey City Redevelopment Agency, as it was shown on the original License Agreement.

(2) Paragraphs 4, 5 and 6 are not necessary as no active rail line exists on or near the site. In addition, since the bridges between the embankments have been removed, there is no possibility for the line to become active.

(3) With respect to Paragraph 9:

(a) Workers Compensation and Employers Liability insurance amounts should be \$100,000, not \$1,000,000.

(b) Automobile liability insurance of \$5,000,000 is required. Although, the original License Agreement did not include the automobile liability insurance requirement, our contractor, DREM, has automobile liability insurance with a combined single limit of \$1,000,000, which is shown on the certificate of insurance previously provided to Conrail (copy attached).

(c) DREM's certificate of insurance previously provided to Conrail (copy attached), contains General Liability insurance of \$2,000,000 aggregate with an umbrella policy of an additional \$4,000,000 and \$1,000,000 each occurrence with an umbrella policy of an additional \$4,000,000.

(d) Although there is no active rail line on or near the site, the JCRA will obtain Conrail's Railroad Protective Liability Insurance, as indicated in paragraph 9d, for the \$450 fee stated.

Ms. Kazokas
Page 2

(e)(1) DREM maintains professional liability insurance of \$1,000,000 for each claim and \$2,000,000 in the aggregate coverages.

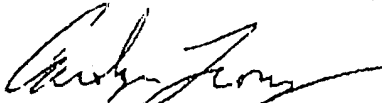
(e)(2) It is the JCRA's opinion that Pollution Liability coverage does not apply to this project and requests the requirement be deleted.

(4) With respect to Paragraph 10, Title to Environmental Studies, the JCRA will limit the dissemination of any environmental information and its contractors will also acknowledge those restrictions.

(5) The Licensee and signing party to the License Agreement should be changed to the JCRA and the acknowledgment concerning paragraph 10 should be changed to DREM.

Please have these changes made to the Agreement and provide an amended License Agreement for execution to the JCRA. If you have any questions or comments, please contact me at (201)547-5428. Thank you for your attention to the above.

Sincerely,



CAROLYN LEONG
Environmental Project Manager

cc: Robert J. Tracy, Conrail, Real Estate
Paul W. Hamilton, JCRA
Colleen Yewaises, HEDC

COMMISSIONERS

ROBERT GALLAGHER

CHAIRMAN

L. HARVEY SMITH

VICE CHAIRMAN

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RAFAEL DIAZ

ARTHUR J. ZIGMAN



JERSEY CITY REDEVELOPMENT AGENCY

30 MONTGOMERY ST., SUITE 910

JERSEY CITY, N.J. 07302-3821

(201) 547-5810

FAX: (201) 547-4875

EXECUTIVE

PAUL W. HAMILTON

EXECUTIVE DIRECTOR

FRANCIS E. SCHILLER, ESQ.

GENERAL COUNSEL

BRET SCHUNDLER

MAYOR

December 30, 1998

Mr. Michael F. Brimmer
Regional Vice President, State Relations
CSX Corporation
101 Interchange Plaza, Suite 103
Cranbury, New Jersey 08512-9547

Dear Mr. Brimmer:

On behalf of the Jersey City participants in our phone call of October 15th, thank you for taking the time to outline the reorganized CSX/NS entities subsequent to the Conrail acquisition and the CSX/NS individual territories and shared facilities in this region. In relation to the real estate we discussed and in which Jersey City has been interested, we are assuming that the property will remain in the name of Conrail as owner but that there may be different terms and conditions of sale than those typically found under Conrail. If we are to no longer use the proposed form of Sale agreements which we may have received for some of the properties discussed below, please advise us accordingly.

Following-up on our conversation, there are a number of former Conrail property remnants which are available for sale to the City and which ongoing negotiations for purchase have progressed. The status of these negotiations varies with each parcel but what applies to all of them is that Jersey City Redevelopment Agency (JCRA) has offered to acquire each of these from Conrail for extended periods of time. This letter is written to begin the discussions with you as to where they stand with Conrail in the expectation that outstanding persistent obstacles will be overcome. We also wish to establish continuity with NS/CSX in order to conclude these real estate transactions. The following is a brief discussion of the several properties in their general order of priority.

6th Street Formerly a part of the P & H branch and locally referred to as the Sixth Street viaduct (see maps), this property has not been used for rail purposes since the completion of the Marion Junction grade separation project in the early 90's. Conrail has removed the steel bridges above intersecting Jersey City streets. On average, the

Mr. Michael F. B. mer
December 30, 1998
Page 2

six blocks of elevated railroad embankments rise approximately twenty-five feet above the grade along Sixth Street itself which the embankments abut.

The current status is that JCRA has been waiting since a December 9, 1997 meeting convened by Mayor Bret Schundler with Conrail's Iselin Office Real Estate Manager concerning its exchanging demolition and clearance cost estimates, engineering estimates and appraisals with the City. Conrail has not produced any specifications or estimates for demolition or an appraisal as agreed to in that meeting. It had been expected that JCRA was to have been given site access shortly thereafter to perform its own site inspection, engineering evaluation and appraisals of the property. JCRA and Conrail have been unable to agree upon right of entry terms and provisions because of unreasonable environmental insurance and general liability requirements imposed by Conrail, which are far in excess of the commercial terms we encounter regularly, and were designed to protect active rail lines. JCRA had been delayed nearly a year by Conrail's insistence on these environmental and liability provisions.

As a result of the impasse over the excessive insurance requirements, JCRA informed Conrail's Iselin Office Manager on November 13, 1998, of JCRA's entry on the property with adequate insurance coverages to protect all parties. JCRA is preparing its own demolition and clearance estimates, and will be performing an appraisal.

It has consistently been JCRA's position that Conrail's offer to sell this property for the price of two million dollars is subject to negotiation after the buyer (JCRA) becomes informed by the environmental investigation results, Conrail's and its own demolition and clearance estimates and specifications. JCRA considers them to be integral to determining the market value of the property for residential or other development and whether Conrail's proposed sale price is representative of the value it is seeking, which is for residential development. We hope to proceed with negotiation with CSX/NS after having informed ourselves in this manner.

We request to be provided with the proposed form of sale agreement to be utilized by CSX/NS containing all material provisions and sale terms, including but not limited to environmental, and ask that you identify the people with whom these negotiations should continue on your behalf. Conrail has supplied no information, estimates, or valuation explanation except to say that its two million dollar proposed sale price includes demolition and salvage considerations. Since the information promised by Conrail may not be available, and rather than asking CSX/NS to incur costs to develop it at this stage, any historical information you can provide concerning the method of construction, maintenance and utilization of the former P & H Branch could possibly substitute and assist JCRA's analyses.

CONRAIL

February 22, 1999

Ms. Carolyn Leong
Environmental Project Manager
Jersey City Redevelopment Agency
30 Montgomery Street, Room 910
Jersey City, NJ 07302-3821

RE: Jersey City, NJ
Right of Entry

Dear Ms. Leong:

Pursuant to your request, enclosed please find two original Temporary License Agreements permitting access to Conrail property for the purpose of conducting environmental studies. This Agreement is specifically for the former Harsimus Branch located along 6th Street between Manila and Newark Avenues in Jersey City, New Jersey.

Please have both Agreements executed and witnessed and returned to this office for similar handling by our Corporation. A fully executed copy of the Agreement will be forwarded to you for your records.

The insurance requirements set in the Agreement are acceptable to Conrail in lieu of its standard insurance limits. Your draft in the amount of \$225.00 payable to Consolidated Rail Corporation, as payment of Railroad Protective Liability Insurance, should be forwarded along with the executed Agreement. Also, as per my conversation with you on February 9, I should receive new updated certificates of insurance from both Dresdner Robin Environmental and Summit Drilling Company showing (1) appropriate limits; (2) Conrail being listed as additional insured where required and (3) updated policy effective and expiration dates.

Please be advised that this Agreement is Conrail's standard entry agreement, allowing access for the purpose(s) stated in Paragraph 1 of the Agreement. If the work conducted involves engineering activities which cause disturbances or changes to the physical features of our property, you and/or your agent(s) will have to enter into a Construction Agreement with Conrail's engineering department. You and/or your agent(s) will be responsible for reimbursement to Conrail for any costs incurred during the project. Prior to the issuance of a Construction Agreement, you will be required to

submit your plan to our Assistant Chief Engineer, Richard Cantwell, for review and approval. Mr. Cantwell is located at Conrail, 2001 Market Street 12-B, Philadelphia, PA 19101-1412. His phone number is (215) 209-2927.

Sincerely,



Christina Kazokas
Senior Analyst
Environmental Quality Group
(215) 209-1678

enclosure

cc: Robert Tracy, Property Manager
J.L. McGlynn, Area Engineer
(w/enclosures)

EXHIBIT O

THE JERSEY JOURNAL

ear — No. 277

Thursday, March 26, 1998

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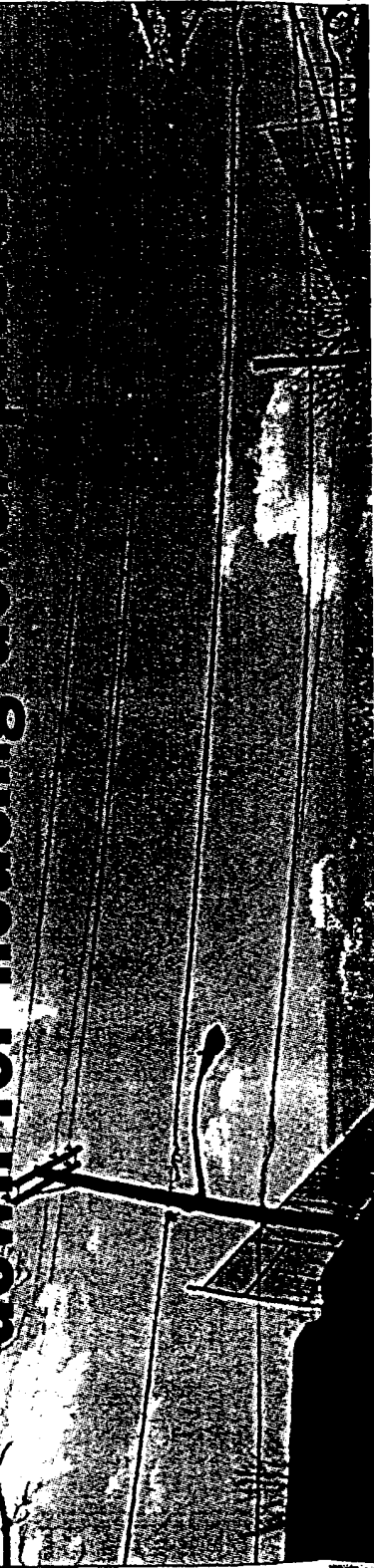


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DOWNTOWN WALL WILL FALL

Sixth Street viaduct to be torn
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WEATHER



JERSEY CITY wants to tear down the viaduct that runs along Sixth Street, shown here at the Jersey Avenue intersection, to make way for one- and two-family homes.

By Kirsten Danis
Journal staff writer

The imposing stone viaduct that has stood sentinel along the half-mile length of Sixth Street for 100 years will be torn down to make room for new market-rate housing under a proposed city redevelopment plan.

As the plan heads toward approval by the Planning Board, residents of the two historic neighborhoods that border the viaduct are worried the project is moving too quickly.

"They're rushing to get this rubber-stamped by the Planning Board without any input from the community whatsoever," said Thomas Kaz, a founder of the Harsimus Cove Commission, a neighborhood group that formed in the last two weeks in response to the plan.

But city officials say they need to act "aggressively" while builders are still interested in developing homes that sell at market prices.

The plan, which also needs approval by the City Council, calls for demolition of the sandstone overpass built in 1895 to carry trains to the old Harsimus Cove rail yard.

Replacing the overpass on the six blocks between Marin Boulevard at the Newport Mall and Brunswick Street will be a block-long park, four blocks of one- and two-family brick

"It's the mayor's and my priority to move this as fast as possible. I want something done in my term."
"They're rushing to get this rubber-stamped by the Planning Board without any input from the community."

MARIANO VEGA JR.
Downtown councilman

THOMAS KAZ
Harsimus Cove Commission neighborhood group

rowhouses and a seven-story apartment building, according to the current draft of the plan.

The project, which kicked off with a council-approved study in April 1997, has picked up steam in recent

Journal photo by M. Kathleen Kelly

weeks.

"It's the mayor's and my priority to move this as fast as possible. I want something done in my term," said Downtown Councilman Mariano Vega Jr.

But neighbors in the two historic districts that flank the overpass — Hamilton Park to the north and Harsimus Cove to the south — are concerned.

Many neighbors — especially those in Harsimus Cove — did not learn of the proposal until after the Planning Board first considered it March 10, Kaz said.

Stephen Gucciardo, vice president of the Hamilton Park Neighborhood Association, said residents want to make sure the plan contains enough green space and assurances that the development will be harmonious with the neighborhood's unique look.

"We were not informed and included in the process, and we don't think the guidelines are specific enough," Gucciardo said. "We're working hard and fast to contact people and let them know we don't think it should be on such a fast track."

Gucciardo and Kaz said they want more information about the plan and time to go over it before the Planning Board votes.

The board is set to consider another

See SIXTH — Page A14

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some ways, it's much just pick up the phone," he said. "There's no o come in to the office to vers to basic tax ques- phone service is limited ways, however. Calls to ree number are essentially randomly to any e in the United States, at office doesn't have a

could beat the ease of having a tax office in his back yard.

"It's convenient to be here," said the 37-year-old Jersey City resident. "I just came from work in Elizabeth right now, and I came here right now and just got what I want. I'm in and out."

The only customer in the IRS line Tuesday who saw a silver lining was a 50-year-old electrician who refused to give his name and who described himself as "not a big government fan."

"It's good because it will be that much further they'll (the government) have to go, and maybe it'll cause a delay in them getting their tax revenue," he said.

ches for black GOP

unning the library be- scenes.

es say Corrado dreamed test boondoggle because t water with the mayor, ked by the bad publicity y is receiving under his ration.

as, the new president, absent for the past four ending to several fami- rsonal emergencies, by dmission knew nothing "open house."

the board won't re- questions from the pub- g their meetings, they ct even more adverse from some members of Council, and certainly columnist.

they won't take ques- me or other members lic at their meetings, I his space to raise sever-

iff Waldman, the part- scaper, been given an the former third-floor e room in the main li- d has his title been om landscaper to proj- or? None of the board gendas for the past few dicate any title change on for Waldman.

Insiders say there are plans to create a new library branch in Journal Square. Is that true, and if it is, where will it be located? Why construct a new library in the Square, only four blocks away from the Five Corners Branch on Newark Avenue?

More to the point: Assuming there are plans for this new branch, why take on this project when the city is strapped for funds?

Another question is why Anthony Blunda, library administrator, was berating the technical assistance department at a staff meeting for not being ready to vacate its current offices in the main library and move to another floor in the same building.

If he's interested in really addressing the delay and tracking down all the deferred maintenance problems that have plagued the branches for years, Blunda should peruse the backlog of requests for repairs submitted by every principal librarian in every branch in the city.

Then maybe he should ask the \$50,000-a-year head of maintenance why the problems cited in those requests have not been rectified.

Sixth Street viaduct to be torn down

Continued from Page A1

er draft of the plan at its meeting Tuesday.

Thomas Gallagher, city director of the Department of Housing, Economic Development and Commerce, denied the proposal is being hustled through the process without input. Planning officials have met privately with neighbors, he said.

But Gallagher said the city does want to move "aggressively" because the market is strong now and the area is ripe for market-rate housing — something the city badly needs to build up its property values base.

"We're very conscious of the effect this would have on the adjoining historic neighborhoods," he said.

So far, there have been few voices calling for preservation of the overpass as a historic monument. While the blocks around it were designated as historic neighborhoods, the viaduct itself never was.

Most residents are not opposed to replacing the overpass, which has become a garbage and graffiti magnet and may be soaked with toxins from the creosote-coated wooden tracks and whatever was carried in the cars above them. The viaduct has yet to be tested for environmental poisons. The decaying tracks were torn from the dormant site in 1996.

If the plan is approved, demolition of the viaduct could start by summer, said Robert Cotter, director of city planning. Construction, which could begin in the fall, would last several years, he said.

Picnic tables, benches and other "passive recreation" amenities will decorate the park,

which would be at the Brunswick Street end. The rowhouses would be designed to blend with the neighborhood's historic look, but the apartment building planned for the corner of Marin Boulevard fits better with that area's existing development, Cotter said.

"Because (the viaduct) is a half-mile long, it goes through some very diverse regions," Cotter said. "This is not six blocks of historic district."

The city had asked a developer to draft designs and site plans to show to neighbors as early as June.

Gallagher confirmed the city's "prospective developer" is Paul DeBellis, a principal in both America's Dream Homes and Franklin Building Corp., both of West Paterson. In 1995, Franklin Building Corp. built Franklin Park, 127 two-family homes in the city's Greenville section.

"He has a lot of experience in developing owner-occupied housing in urban areas," Gallagher said.

The Jersey City Redevelopment Agency, which is negotiating with Conrail to acquire the viaduct, still has to request proposals from other developers interested in building on the site.

But Gallagher said the agency, which was happy with Franklin Park, has the right to designate a developer. JCRA Executive Director Paul Hamilton did not return a call for comment.

America's Dream Homes gave \$7,300 to Jersey City Mayor Bret Schundler's campaign coffers last year, election records show. DeBellis could not be reached for comment.

the best in physical rehabilitation is right in your neighborhood—at the Franciscan Rehabilitation Center at St. Francis Hospital. With nationally-recognized doctors. Nurses who are specially trained in

EXHIBIT P

CONRAIL



510 Thornall St., Suite 390
Edison, NJ 08837
(732) 906-3015 - voice
(732) 549-7926 - fax

December 21, 2001

Jerome M. Killeen
Jersey City Redevelopment Agency
30 Montgomery Street
Jersey City, NJ 07302

Re: Case 72931, Jersey City, Hudson County, NJ -- Proposed sale of former
Conrail Right of Way along 6th Street from just west of Newark Avenue
to Luis Munoz Marin Boulevard


Dear Mr.Killeen:

Consolidated Rail Corporation is considering sale of 6.2 acres, more or less, of property described on the attached Exhibit A and shown on the accompanying Case Plan dated December 21, 2001. Our records indicate that you have previously expressed an interest in purchasing this property. It is the purpose of this letter to clarify whether you are still interested, and if so, whether you are willing to proceed under the terms and conditions to follow. If we have no affirmative response from you by January 31, 2002, we will assume you are no longer interested in the property.

We will recommend sale of the 6.2 acres, more or less, to the qualified buyer who is willing to submit its highest and best offer, at a minimum consideration of \$3,000,000., in a sealed bid which must be received by close of business on February 28, 2002. Conrail, in its sole judgment, reserves the right to reject any and all offers. Conrail will quitclaim whatever right, title and interest we have in this property, with all expenses of sale, including survey and title costs, being the responsibility of Purchaser. The property will be sold "as is" using our standard sale document package. A due diligence period of 60 days will be permitted for the successful bidder to perform any necessary due diligence activities it may deem necessary. The property sale will be subject to Conrail Board of Directors final approval and must close by June 30, 2002.

If you are interested in proceeding along the lines outlined above, please advise and we will arrange to produce the sale document package and send it to you for execution and submission of your bid. We expect the document packages to be mailed out during the week of January 7, 2002. If you have any questions, please do not hesitate to let us know.

Sincerely,


Robert W. Ryan
Director, Real Estate

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CONRAIL



510 Thornall St., Suite 390
Edison, NJ 08837
(732) 906-3015 - voice
(732) 549-7926 - fax

October 24, 2002

Office of the Executive Director
Jersey City Redevelopment Agency
30 Montgomery Street
Jersey City, NJ 07302

Re: Case 72931, Jersey City, Hudson County, NJ - Proposed sale of former
Conrail Right of Way along 6th Street from just west of Newark Avenue
to Luis Munoz Marin Boulevard

Dear Executive Director:

Consolidated Rail Corporation is considering the sale of 6.2 acres, more or less, of land and any improvements thereon, as described on the attached Exhibit A and shown on the accompanying plan dated October 18, 2002 (the "Property"). Our records indicate you have previously expressed an interest in purchasing this Property.

We will recommend sale of the 6.2 acres, more or less, to the qualified buyer who is willing to submit its highest and best offer, at a minimum consideration of \$3,000,000, in a sealed bid which must be received by close of business on January 21, 2003. Conrail, in its sole judgment, reserves the right to reject any and all offers. The successful bid will be subject to final review and approval by Conrail's Board of Directors and, if approved, must close by June 30, 2003.

Conrail will quitclaim its right, title and interest in this Property, with all expenses of sale, including survey, title, and due diligence costs, being the responsibility of the successful bidder. The Property will be sold "as is" using Conrail's standard sale document package, which is enclosed. A reasonable due diligence period will be permitted for the successful bidder to perform any necessary and agreed upon due diligence activities following signature of an Agreement of Sale by Conrail. The successful bidder will be required to execute Conrail's standard temporary license prior to entering upon Conrail's Property for such purposes.

Attached you will find instructions for submitting a sealed bid for our review and consideration. Please follow the instructions carefully and return your sealed bid in the envelope provided therefor. If you have any questions, please do not hesitate to let us know. Thank you for your interest in Conrail's Property.

Sincerely,

Robert W. Ryan
Director, Real Estate
JAN 16 2006 08:02

EXHIBIT Q

HARSIMUS COVE SOUTH BLIGHT REPORT

Prepared by:
Division of Urban Research and Design
December 28, 1983

On November 23, 1983 the Municipal Council of the City of Jersey City authorized the Jersey City Planning Board to conduct an investigation of the existence of conditions which would warrant a Declaration of Blight for an area known as the Harsimus Cove South Study Area. The following report is in response to the Municipal Council's directive.

This report was prepared by the Land Use Unit of the Division of Urban Research & Design, Department of Housing & Economic Development.

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INTRODUCTION

The purpose of the Harsimus Cove South Study Area Blight Report is to detail the existing conditions within and adjacent to the study area's boundaries to determine whether or not conditions warrant a Declaration of Blight by the Municipal Council.

The setting for the Harsimus Cove South Study Area is one of abandonment and decay. The majority of the study area was formerly used as railroad yards. Most, if not all of the existing and former uses within the area, were dependent upon the rails for their existence. Accompanying the decline of the rails was a decline of secondary services dependent on the rail system for their existence. The study area, a site of approximately 120 acres, is located on the western shore of the Hudson River, directly across the river from lower Manhattan. The study area is sandwiched between Jersey City's Newport City redevelopment project and the Exchange Place North redevelopment area. Also in the immediate vicinity is the City's warehouse district and immediately to the west is a neighborhood of contemporary homes, developed in the late 60's, while further west is the Harsimus Cove Historic District, an area of attached brick residences.

The Blight Report will examine the degree to which the study area qualifies as a Blighted Area under the appropriate New Jersey Statutes.

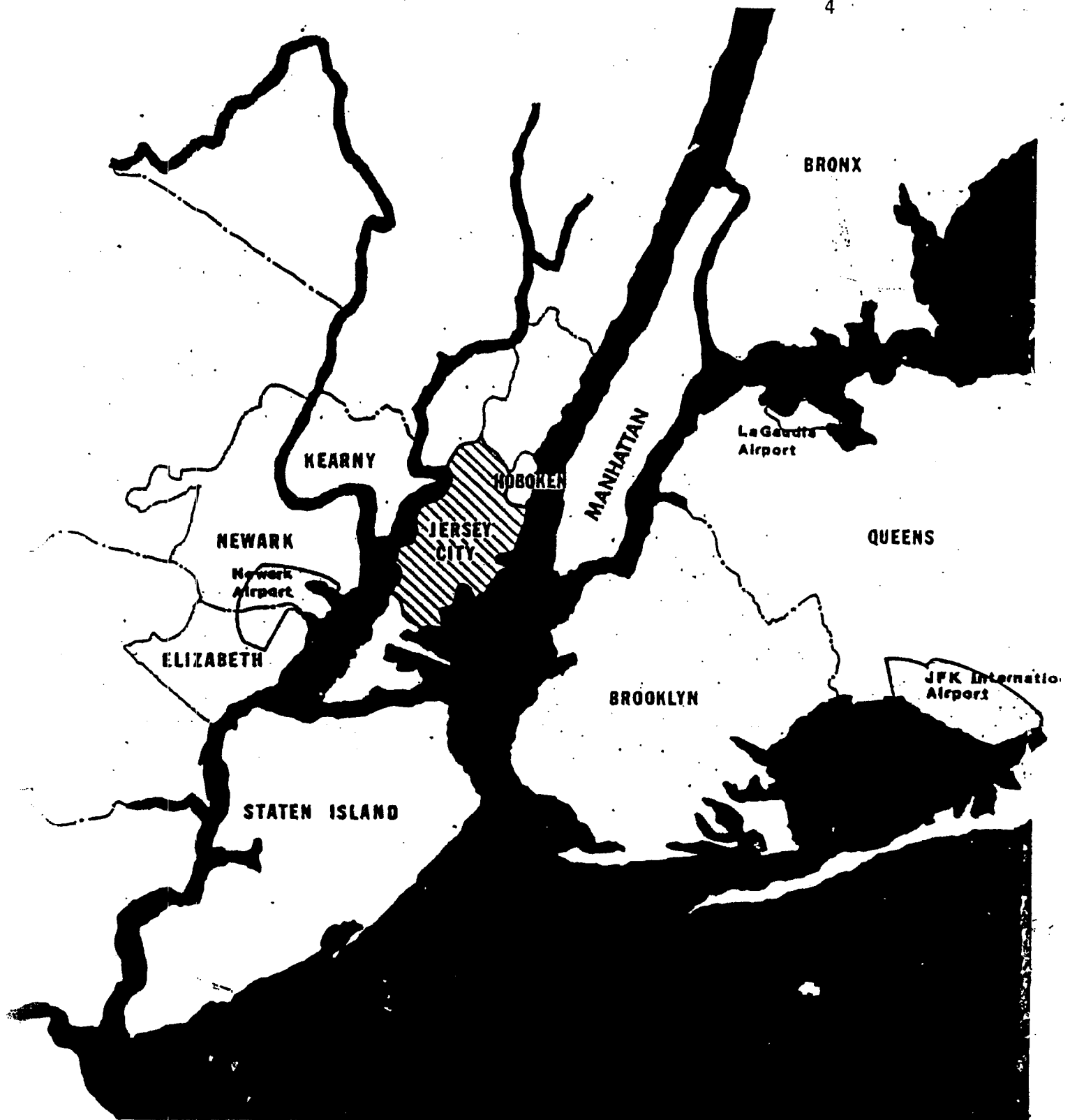
The Blight Report is divided into three sections, the first of which details the results of property ownership research and a physical survey of the existing conditions. The second section identifies the criteria used in making a blight determination

according to NJS 40:55-21.1 et seq. The final section of the report summarizes the investigation results and makes an official recommendation for a Declaration of Blight based upon the appropriate subsections of the New Jersey Statutes and the research findings.

This report is a prerequisite to and a basis for making a proper determination of blight for the Harsimus Cove South Study Area.

BOUNDARY DESCRIPTION

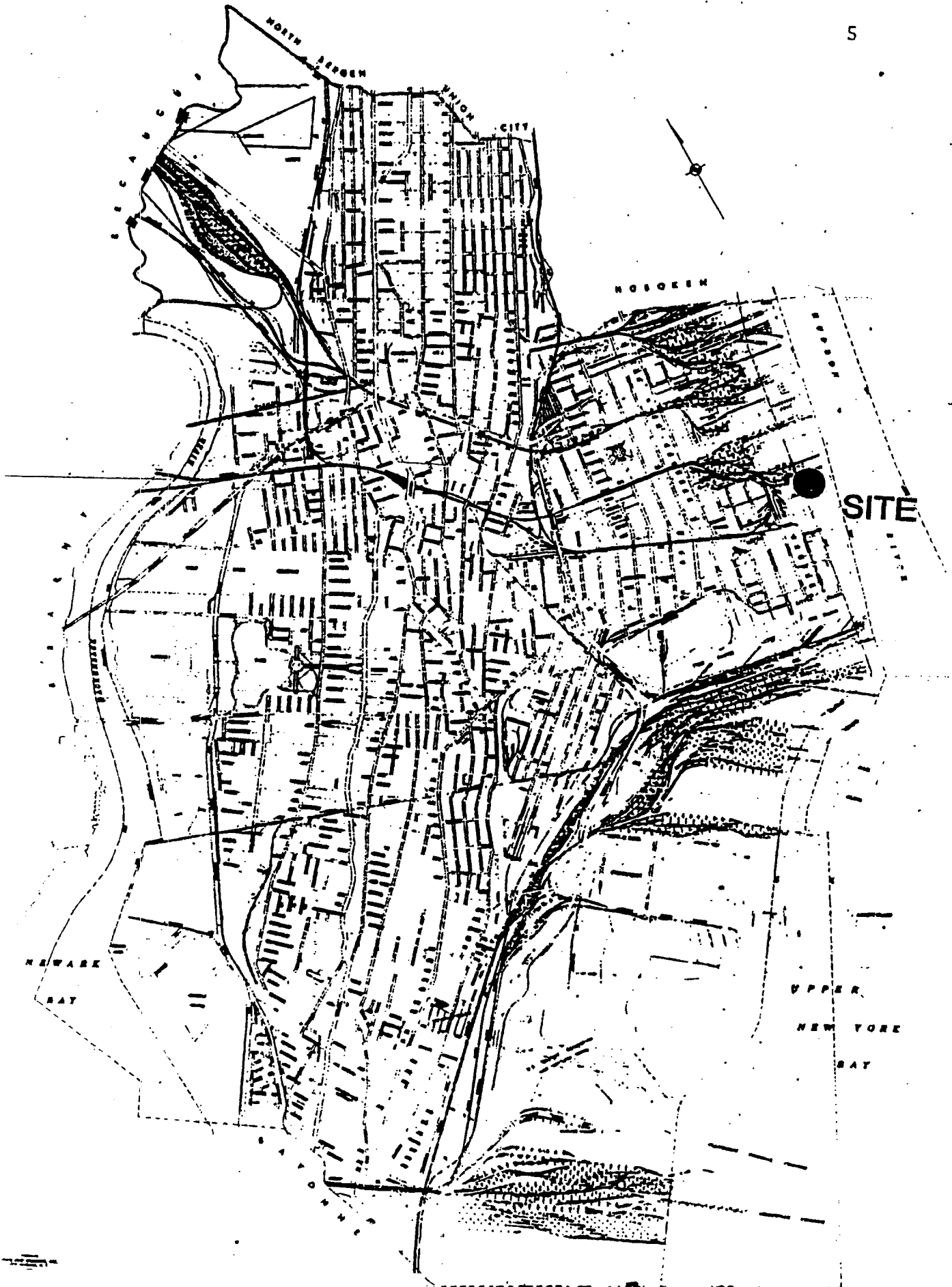
BEGINNING at a point at the intersection of the centerline of 6th Street and Luis Munoz Marin Boulevard; thence in an easterly direction along the centerline of 6th Street to a point at its intersection with the U.S. Pierhead Line of January 12, 1931; thence in a southerly direction along said Pierhead Line to a point at its intersection with the northern Block Limit line of Block 11; thence in a westerly direction along said Block Limit Line a distance of approximately 1575.58 feet to a point at its intersection with the northeastern lot line of Lot C25 of Block 15; thence in a northwesterly direction along said lot line a distance of approximately 208 feet to the point of its intersection with the southern right-of-way line of First Street; thence in a westerly direction along said right-of-way line a distance of approximately 238.63 feet to a point at its intersection with the western lot line of Lot S of Block 15, being the lot created by the vacation of First Street, January 8, 1929; thence in a northwesterly direction along said lot line to a point at its intersection with the centerline of First Street; thence in a westerly direction along said centerline to a point at its intersection with the centerline of Marin Boulevard; thence in a northerly direction along said centerline to the POINT AND PLACE OF BEGINNING.



REGIONAL SETTING

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HUDSON RIVER

MODIFIED U.S. PIERHEAD LINE JANUARY 12, 1931

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LEGEND

PROJECT BOUNDARY

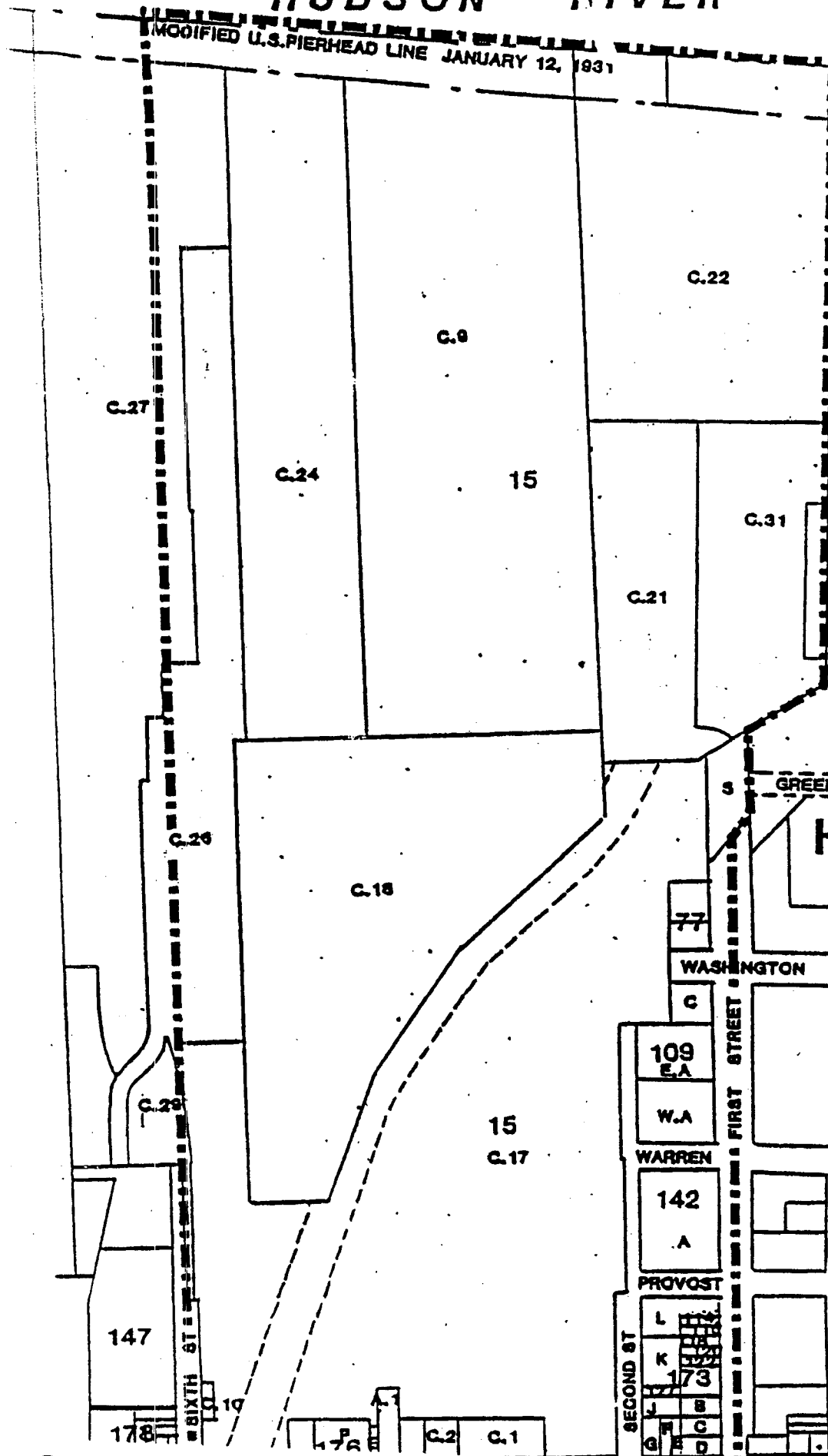
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HARSIMUS COVE SOUTH STUDY AREA

PROJECT BOUNDARY



SCALE



BLIGHT INVESTIGATION METHODS

The following methods were used in gathering information and preparing a physical condition survey for the Harsimus Cove South Study Area.

A. Survey of Property Ownership

The tax records for each parcel of land in the Harsimus Cove South Study Area were reviewed to determine ownership characteristics, taxable value and net taxes returned to the City.

B. Physical Survey of Building Conditions and Land Uses

A physical survey of all buildings and property within the Harsimus Cove South Study Area was conducted to determine the general physical condition and existing land uses for all parcels within the study area boundary. The study involved exterior reviews of all buildings within the study area.

C. Transportation Access System

From available information the general quality and adequacy of transportation facilities in the Harsimus Cove South Study Area were reviewed. This analysis related to the access to and from the site via existing roadways and mass transit systems.

SURVEY OF PROPERTY OWNERSHIP

Land Ownership Pattern

The Harsimus Cove South Study Area is comprised of forty (40) tax lots, however three (3) of these lots are only partially within the study area boundary. These three (3) lots being lots C.26, C.27, and C.29 of Block 15.

Of the forty (40) lots, twenty-eight (28) are privately owned, three (3) are city owned, and the remaining nine (9) are currently owned by railroads (Conrail, United New Jersey Railroad, and the Pennsylvania Railroad).

In order to properly analyze ownership patterns an analysis of land ownership by area was performed. This analysis reveals a relatively close split between the three ownership groups. Approximately 36.5% of the study areas 117 acres are owned by the City of Jersey City, an additional 35% is owned by the railroads, and the remaining 28.5% is privately owned.

The forty-three (43) acres which are city owned are entirely located underwater, however there was at one time a number of piers on this property. Currently only one of these piers is currently accessible, the others having been removed or deteriorated to the point of non existence.

The railroad owned properties are located closer to Henderson Street (Marin Boulevard) and extends to the waterline. The privately owned properties are concentrated along First and Second Streets as well as toward the central portions of the study area.

The majority of the economic activities within the Harsimus Cove South Study Area are located on the privately owned lots. The railroad properties are little used with only one rail spur currently in operation. The city owned piers are also currently inactive.

Assessed Values

Assessed values for private and city owned land was collected from the City's tax records. Most railroad properties are taxed by the State and that information is not available in the city's records. As expected those properties with the large warehouses on them have the highest assessed values because of their improvements. The city owned properties are tax exempt and provide no tax revenues to the city.

Land Use

The majority of the study area lands are either underwater, vacant, or abandoned rail right-of-ways. Less than 15% of the entire study area land is currently active. These activities occur primarily on the three (3) blocks along First and Second Streets. On those three (3) blocks are located three multi-story warehouses and a mix of industrial, commercial, and residential uses. The residential uses are limited to only three structures, all of which have first floor commercial activities. The tax records indicate that there is a total of 17 residential units within these three buildings.

Nearly 85% of the study area lands are unused, much of it being underwater. A large group of rail tracks traverse the area with vacant lands located on both sides of these tracks.

Employment

The Harsimus Cove Study Area provides an estimated 125 jobs. These jobs are scattered throughout the warehouses and small manufacturing and commercial establishments. Judging from the limited activities particularly in the large warehouses it is obvious that the amount of employment in the study area is well below what it once was. This decline is directly attributed to the decline of the rail activities which once dominated the Jersey City waterfront.

Building Conditions

An exterior review of all the structures in the Harsimus Cove Study Area reveals that a majority of the buildings are in fair condition. Some of the smaller commercial and industrial buildings were found to be in poor condition, the result of many years of neglect.

There are also some vacant structures in the area, one which appears to be fire damaged.

BASIS FOR EVALUATING BUILDING CONDITIONS

The following criteria were used in evaluating building conditions in the study area.

GOOD

A building with no major building code violations but which may need minimal improvements such as painting, some woodwork or masonry repair, replacing window sashes, etc.

FAIR

A building which is beginning to deteriorate, needs complete painting, replacement of window sashes or new windows, repair of roof, fire escapes or steps. Structure may be lacking in other vital areas such as proper plumbing, electrical and heating facilities.

POOR

A building with several major code violations plus a poor foundation. The structure possesses deteriorating qualities classified under "Fair" but to a greater extent. Building may have other severe structural faults which are irreparable by present day construction standards or are economically unfeasible or undesirable.

BLOCK ANALYSISBlock 173

This block contains the greatest mix of uses in the entire study area. All three of the areas residential buildings are on this block each containing a first floor commercial activity. (Restaurant, bar, and tire repair shop). Other uses include an auto supply store, an auto repair shop, a delivery service and other manufacturing shops. A majority of the vacant lands on this block are used for parking, some for the commercial customers, others for trucks. Most of the land used for parking is not improved and as such serves to highlight the mix of activities on this block.

Block 142

This entire block is covered by a seven (7) story warehouse. There appear to be loading areas from both First and Second Streets, however the Second Street bays appear to get little use.

Block 176

This small block of three lots fronts on Henderson Street (Marin Boulevard). There are no improvements on this block which covers just over one-half acre. However it appears that trucks are also parking in this area.

Block 109

This block is located on First Street between Warren and Washington Streets. There are three lots on this block which covers 1.6 acres.

Two of the lots contain warehouses, one seven (7) floors and the other six (6) floors. The third lot contains a one story metal structure which serves as an office for Corrugated Metals, Inc., whose shop is directly across Washington Street.

Block 77

This block has only two lots on it, the block contains a one story metal structure which is owned and used by Corrugated Metals, Inc.

Block 15

This block is so large that it extends outside the Harsimus Cove South Study Area. The majority of the Harsimus Cove South Study Area is on this huge block which extends from Henderson Street to the Hudson River pierhead. Most of the block is underwater or vacant and abandoned rail yards. However there is an area towards Henderson Street which is used by PEP Trucking. They make use of a large loading dock located in that area. There are also two additional warehouse structures on this block, they are both located off the front of First Street. Both of the warehouses appear to be in heavy use generating more truck traffic than the other warehouses in the study area. The three city owned lots are located on this block. Additional small parking areas and unused structures are also at scattered locations on this block.

TRANSPORTATION ACCESS

The Harsimus Cove South Study Area is conveniently located along the Jersey City waterfront. Henderson Street (Marin Boulevard) offers direct access to the Holland Tunnel less than ten (10) blocks away. Access to the New Jersey Turnpike Extension and Routes 1 & 9 are also easily available from the study area.






This area is also conveniently located near public transportation facilities. The Exchange Place PATH station is only a few blocks away and the Grove Street PATH station is also within walking distance.

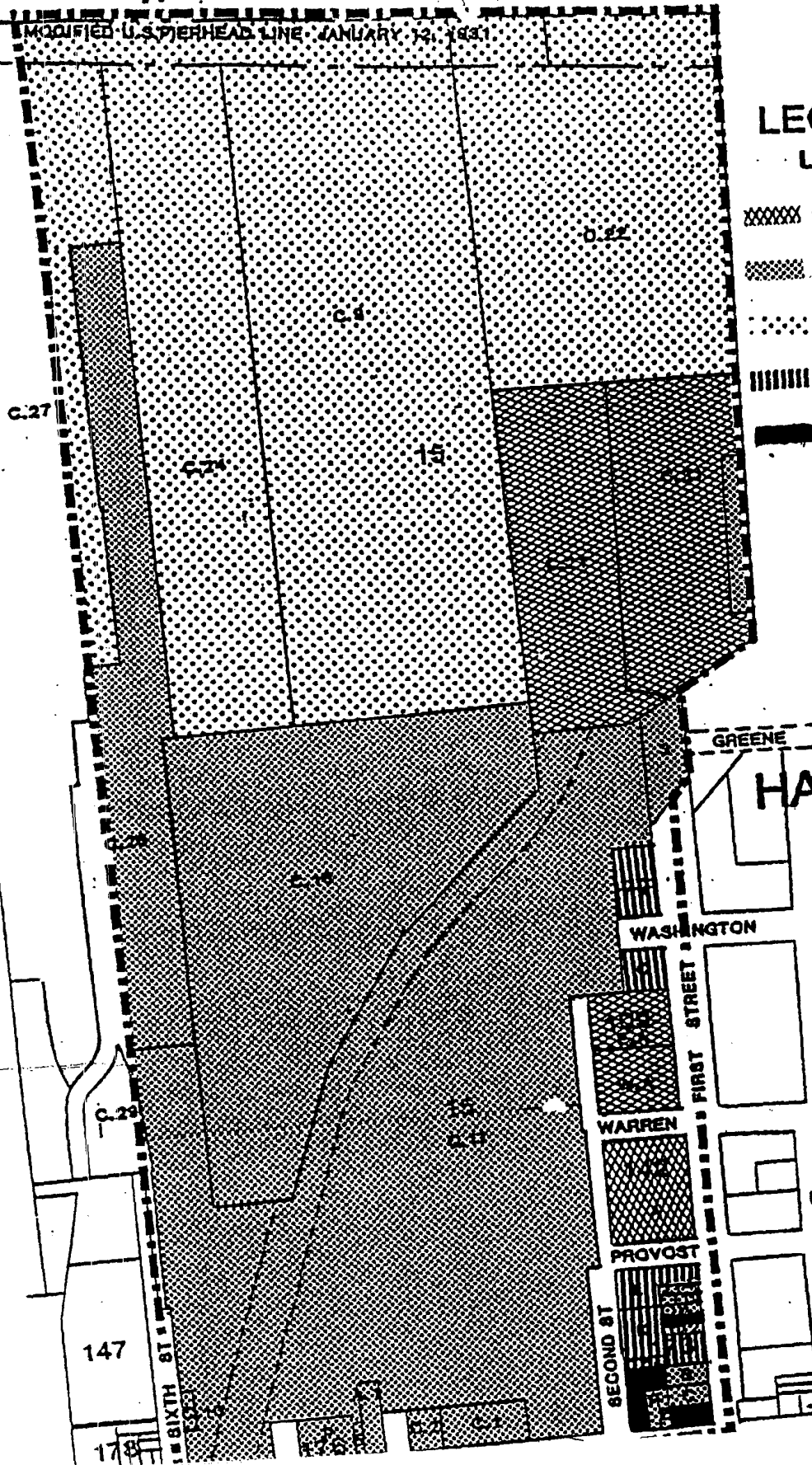
Bus routes run along Henderson Street, Erie Street, Grove Street and Newark Avenue. These lines provide access to points within Jersey City as well as surrounding communities. The availability of mass transit facilities near the study area would greatly complement the development of this underutilized area of the city.

MODIFIED U.S. PIERHEAD LINE JANUARY 12, 1931

LEGEND

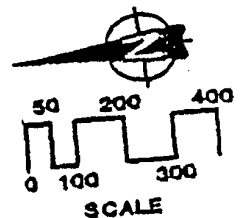
LAND USE

-  WAREHOUSE
-  VACANT LAND/RAILRO.
-  UNDERWATER
-  INDUSTRIAL
-  MIXED USE



HARSIMUS COVE SOUTH STUDY AREA

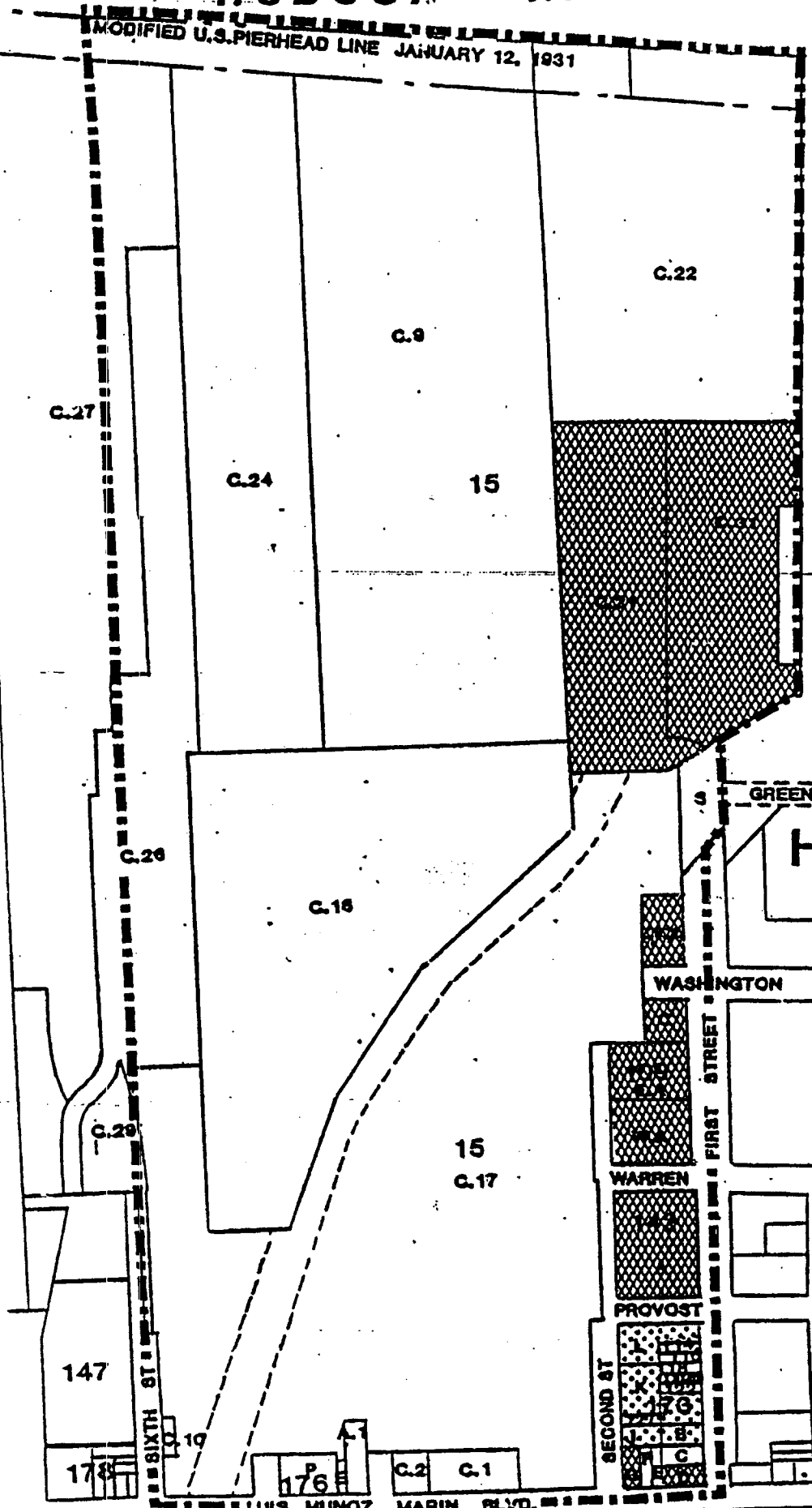
PROJECT BOUNDARY



MODIFIED U.S. PIERHEAD LINE JANUARY 12, 1931

BUILDING CONDITION

☐ VACANT LAND



**HARSIMUS
COVE
SOUTH
STUDY
AREA**

PROJECT BOUNDARY



MODIFIED U.S. PIERHEAD LINE JANUARY 12, 1931

LEGEND OWNERSHIP

||||| PRIVATE

XXXXX CITY OWNED

XXXXX RAILROAD

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C.2

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MUNOZ

MARIN BLVD.

SECOND ST

PROVOST

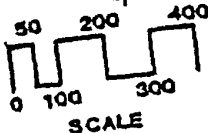
WARREN

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HARSIMUS COVE SOUTH STUDY AREA

PROJECT BOUNDARY



SCALE

ELEMENTS OF BLIGHT DEFINED

Any determination of blight must be based upon the definition of a "blighted area" as contained in the New Jersey Statutes - - 40:55-21.1 which defines a blighted area as an area where any of the following conditions exist:

- a. The generality of buildings used as dwellings or the dwelling accommodations therein are substandard, unsafe, unsanitary, dilapidated or obsolescent, or possess any of such characteristics, or are so lacking in light, air or space, as to be conducive to unwholesome living;
- b. The discontinuance of the use of buildings previously used for manufacturing or industrial purposes, the abandonment of such buildings or the same being allowed to fall into so great a state of disrepair as to be untenable;
- c. Unimproved vacant land, which has remained so for a period of ten years prior to the determination herein after referred to, and which land by reason of its location, or remoteness from developed sections or portions of such municipality, or lack of means of access to such other parts thereof, topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital;
- d. Areas (including slum areas), with buildings or improvements which by reason of dilapidation, obsolescence, over-crowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community;
- e. A growing or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property therein and other conditions, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.

ELEMENTS WHICH MAY CONSTITUTE A BLIGHTING CONDITION

A review of the data gathered during the property analysis and building survey would indicate that the Harsimus Cove South Study Area would qualify for a Declaration of Blight as defined by the NJS 40:55-21.1 sections C, D, and E.

In particular the Harsimus Cove South Study Area contains the following conditions which supports this qualification.

- C. The vast areas of unimproved land within the Harsimus Cove South Study Area is a strong indication of the gross under-utilization of this valuable waterfront property. Over 100 of the areas 117 acres are undeveloped. The vacant unimproved condition of the land has existed for much longer than ten years. The demise of rail activities along the Jersey City waterfront has resulted in the neglect of this area.
- D. The study area also suffers from conditions which are detrimental to the community. These conditions are the result of a number of factors which have resulted in deleterious land uses. Within a small area there are residential, commercial, and industrial uses as well as vacant lands which are used for parking. The warehouses produce heavy truck traffic to the area, this combined with the blocking of streets for loading and unloading creates problems with the traffic flow along the internal streets as well.

E. In addition the Harsimus Cove South Study Area suffers from a lack of proper utilization because of diverse ownership. The three city owned lots account for 36.5% of the entire study area. Railroad property accounts for an additional 35% of the area. The decline of the rail industry, particularly in Jersey City has resulted in large areas of rail right-of-ways which are unused. The Harsimus Cove South Study Area is the only area of the Jersey City waterfront where this problem has not been addressed.

RECOMMENDATIONS OF BLIGHT

Because of these conditions development within this area has been hindered and proper development of the valuable land can only be corrected through public intervention.

The Declaration of Blight for the Harsimus Cove South Study Area will positively address the problems of deleterious land uses, vacant unimproved land and diverse ownership which has hindered development of this area.

~~The~~ resulting public policy will assure controlled and coordinated development in the public interest. Where needed the public powers of condemnation and acquisition will be used to address the existing conditions.

A P P E N D I X

1) Property Ownership and Land Use Data

	ADDRESS	USE	LOT SIZE	SQ. FT.	OWNER	LAND IMPROVEMENT	TOTAL
A	142-144 1st St.	Warehouse	264x200 Irr.	52,800	S. Berger Import 3 E. 28th St.-NYC	104,000 361,000	465,000
B	164-166 1st St.	Vacant Lot Parking	50x100	5,000	Walter M. Kallareau 615 Studio Rd. Ridgefield, N.J.	7,000 -0-	7,000
C	168-170 1st St.	Vacant Lot Parking	50x100	5,000	Grace Schwartz 615 Studio Rd. Ridgefield, N.J.	7,000 -0-	7,000
D	172-174 1st St.	Comm/Res	50x100	5,000	S. Katsorhis	8,200 11,200	19,400
E	376 Henderson St.	Parking Vacant Lot	26x100	2,600	Grace Schwartz	3,100 -0-	3,100
F	378 Henderson St.	Parking Vacant Lot	26x100	2,600	Grace Schwartz	3,100 -0-	3,100
G	380-2 Henderson St.	Comm/Res/Ind	48x100	4,800	Rio Realty Co. P.O. Box 407 Kearny, N.J.	6,800 18,700	25,500
J	171-173 2nd St.	Ind.	50x100	5,000	Grace Schwartz	6,000 11,800	17,800
127	169 2nd St.	Ind.	25x100	2,500	Grace Schwartz	3,000 17,000	20,000
K, 126A	159-167 2nd St.	Ind.	25x100 125x100	20,000	Arco Chemicals Inc. 159-167 2nd St. J.C.N.J.	25,000 15,000	40,500
L	144-146 1st St.	Ind.	100x100 50x100	15,000	S. Blumenthal P.O. Box 112 Kearny, N.J.	21,200 46,200	67,400
114	148 1st St.	Parking Vacant Land	25x100	2,500	" " " "	3,500 -0-	3,500
116	150 1st St.	Parking Vacant Land	25x100	2,500	" " " "	3,500 -0-	3,500
118	152 1st St.	Parking Vacant Land	25x100	2,500	" " " "	3,500 -0-	3,500
120	154 1st St.	Comm/Res	25x100	2,500	W. Stryzek 154 6th St. JC NJ	3,500 7,300	10,800
122	156 1st St.	Parking Vacant Land	25x100	2,500	" " " "	3,500 -0-	3,500

<u>JOB</u>	<u>LOT(S)</u>	<u>ADDRESS</u>	<u>USE</u>	<u>LOT SIZE</u>	<u>SQ. FT.</u>	<u>OWNER</u>	<u>LAND IMPROVEMENT</u>	<u>TOTAL</u>
176	A.1	416-418 Henderson	Vacant Land	50x187	9,350	Conrail	18,800 -0-	18,800
76	E	420 Henderson	Vacant Land	16x80	1,280	Conrail	2,600 -0-	2,600
76	P	422-430 Henderson	Vacant Land	133x100	13,300	United NJ RR		
09	G	94 1st St.	Ind.	100x100	10,000	Corrugated Metals Inc. P.O. Box 465 JC NJ	20,000 1,500	35,000
109	E.A	104 1st St.	Warehouse	200x142	28,400	Pama Holding Corp. 104 1st St. JC NJ	56,800 131,600	188,400
109	W.A	110 1st St.	Warehouse	200x158	31,600	Jaffe Spindler Co 111 1st St. JC NJ	63,200 243,400	306,600
77	C,D	78-90 1st St.	Ind.	175x100	17,500	Corrugated Metals Inc.	35,000 70,000	105,000
15	C.24	Hudson River	Vacant Land	10.7 Acres		City of Jersey City	535,400 -0-	535,400
15	Part of C.26	Ft. of 6th St.	Railroad	Right-of-way	11.73 Acres	Conrail		
15	Part of C.27	2 6th St.		3.69 Acres		U.S. Packing Inc. 2 6th St.	306,000 350,000	656,000
15	Part of C.29	Ft. of 6th St.	Vacant Land			" " " "	31,000 -0-	31,000
15	C.30	1st St.	Vacant Land	.46 Acres		Erosen Corp. 34 Exchange Pl.	10,500 -0-	10,500
15	C.31	59 1st St.	Warehouse Ind. K-Mart	5.05 Acres		Wm. Morris Realty Troy, Michigan	126,200 275,000	401,200
15	C1,C2	396-410 Henderson	Vacant Land	275x100	.63 Acres	Conrail	55,000 -0-	55,000
15	C9	Hudson River			20.9 Acres	City of Jersey City	1,045,000 100,000	1,145,000
15	C10	6th St	Vacant Land	97x32	.07 Acres	Penn Railroad		

Pep Trucking

Ind/V.L.

28.04 Acres

Conrail

6th, 2nd, Henderson

C17

15

2nd St.

Vacant Land

14.35 Acres

Frosen Corp.

315,700

-0-

315,700

Green & 2nd

Warehouse Ind.

.5 Acres

Wm. Morris

125,000

270,000

395,000

Hudson River

Vacant Land

11.42 Acres

City of JC

114,200

-0-

114,200

Ft. of 1st St.

Vacant Land

.13 Acres

United NJ RR

S

15

EXHIBIT R

R e p o r t

Concerning the Determination of

the Proposed

SIXTH STREET

STUDY AREA

as

"An Area in Need of Redevelopment"

*As approved by the Planning Board
March 10, 1998*

I. SURVEY OF CONDITIONS IN THE STUDY AREA

A. Introduction

The Municipal Council of the City of Jersey City, on April 23, 1997 adopted a resolution authorizing the Jersey City Planning Board to:

1. Conduct a preliminary investigation of the physical and economic conditions of an area known as the Sixth Street Study Area, (hereinafter the "Study Area") to determine whether or not this Study Area meets the statutory criteria necessary to be declared an "area in need of redevelopment" as outlined in NJSA 40A:12A-6 et. seq.
2. Propose a redevelopment plan for this Study Area if it is found to be in need of redevelopment.

B. Boundary Description

The Study Area is comprised of Block: 212 Lot: M, Block: 247 Lot: 50A, Block: 280 Lot: 50A, Block: 317 Lot: 50A, Block: 317 Lot: 50A, Block: 354 Lot: 50A and Block: 389.1 Lot: 50 and the alleys/lanes abutting these parcels to the south and running between Brunswick Street, Monmouth Street, Coles Street and Jersey Avenue. (see attached boundary map).

C. Historical Background

The Study Area consists of the remaining sections of the former elevated tracks that carried freight to and from the northern waterfront of Jersey City, for over a hundred years after their first construction in the 1880's. This viaduct along Sixth Street was the culmination of the general industrialization of the Jersey City waterfront which proceeded apace through the middle decades of the Nineteenth Century. In 1867 the United New Jersey Railroad & Canal Company purchased the waterfront at Harsimus Cove, east of the present Harsimus Cove Historic District. A intricate complex of railroad tracks, freight yards, spurs and sidings grew up to enable the distribution of raw materials and manufactured goods into and out of our City and across New York and Newark Bays. The Pennsylvania Railroad after 1871 controlled the rails and yards of the New Jersey RR & Canal Company. They continued the policy of reclaiming land from the Cove, begun in 1856 by the Long Dock Company and by the 1880's the Harsimus Cove terminal was the largest installation in the harbor. It contained piers, float bridges, elevators, freight houses, warehouses, a stock yard, engine terminal and

storage yard. But this freight terminal, now known as the Harsimus Yards, could not be reached without a lengthy detour by way of temporary tracks along the riverfront. A more direct connection to the main line was not possible until the wall of the Palisades was breached. In anticipation of this opportunity, a right-of-way along Sixth Street was purchased on behalf of the United New Jersey Company by Robert C. Bacot. An engineer, architect and City surveyor, Mr. Bacot must have completed the assembly of this access route before the Pennsylvania came on the scene. A pictorial map of the New York area, drawn for the Harper's Weekly of May 6, 1871, clearly illustrates the rail lines of the N.J. Railroad and other lines in that year, but the Sixth Street right-of-way still lay fallow. But by 1884 the barrier of Palisade rockface was cleaved and the Pennsylvania constructed the first connecting line down the blocks between Fifth and Sixth Streets. These original tracks of the Pennsylvania Railroad Harsimus Branch are depicted on the Fowler- Bromley Atlas of 1887. The pair of elevated tracks coexists with residential lots on the south side of Sixth Street, preventing the rail line from expanding. The Harsimus Branch tracks were enlarged between 1895 and 1905 by construction of a viaduct which eliminated the residences. By the time the Hopkins Plat Book was published in 1908, the full present configuration of six elevated tracks is shown and the houses\lots to the north are gone. By 1890 the Pennsylvania had also elevated its tracks on Railroad Avenue, dominating the streetscape of Downtown Jersey City. But the Sixth Street viaduct was a singular undertaking; as if the stones excised from the Palisades were rolled down the hill and re-assembled. The elevated railbed supported by massive stone retaining walls terminated at Henderson Street, where it adjoined a Yardmaster's office. This Italianate brick structure was still standing at Sixth and Henderson, in 1981, when it was considered by the Phase I Historical Structures Report as having been constructed between 1909 and 1919. Dr. Joseph Brooks of Jersey City Planning Division, primary author of this report, noted in 1981 that the railroad tracks beside the building were elevated to the second story of this now demolished structure.

These tracks were an integral part of the industrialization of Jersey City which was heavily dominated by the railroads. The Pennsylvania Railroad, once it developed its trunk lines into Harsimus Cove, could deliver anthracite and bituminous coal from the Pennsylvania collieries directly to the homes, factories and power plants of the eastern entrepot. Grain and livestock from the heartland were also transported to fill the grain elevators and abattoirs of the northern waterfront. Live cattle and swine were still brought in by this viaduct as late as the mid 1960's. The Swift, Sioux Pork and Armour companies were long associated with Jersey City. Many foodstuffs were reexported not only by rail but upon ships bound across the Atlantic. The City's factories drew more goods and materials in by the Harsimus Branch Main Stem and reexported their value added products by the same Pennsylvania rails.

But the railways were in decline by the 1950's. Commercial aircraft flights and the wide private ownership of automobiles driving on the new interstate highway system took a heavy toll on their passenger traffic. The same highways serviced by the trucking industry encouraged the dispersal of industrial land uses, taking an equally heavy toll from the railway's freight operations. Total freight tonnage transported through the Jersey City waterfront declined from 27,854,983 (1951) to 18,119,361 (1959). Percentage losses in freight tonnages during 1949-1959 were 23%, 44%, 25% and 12% respectively for; Interchange, Lighterage, Local Freight and Tidewater Coal Source: Port of New York Authority

As measured by the Jersey City Planning Division in 1972 for the period 1925-1970, the percentage losses are even starker:

<u>Classification</u>	<u>New Jersey Side</u>	<u>Port of New York</u>
Coal		
Tidewater	70.0%	60.8%
Team Track	90.4	87.5
Perishables	62.2	62.2
Merchandise		
Car Load	33.3	31.2
Less Than Car Load	99.8	99.6

Jersey City did not benefit from the measures taken in the 1960's and 1970's by the railroad companies to meet the challenge of the trucking industry's freight delivery operations. Both corporate mergers and efficiency responses, trailer-on-flat car (TOFC) or container-on-flat car (COFC), left the City with abandoned or disinfested railway acreage. New TOFC-COFC facilities were built in other parts of Hudson County, including Secaucus and Weehawken. The Penn-Central Corporation, which emerged from this period of rail company consolidations, retained control of the Harsimus Branch through the 1970's but eventually abandoned plans to expand operations and attract freight forwarding companies to their Harsimus Cove site. Through the last two decades of our Century, Penn-Central's corporate successor, Conrail, used the line more as an extended siding for its intermodal operations than to deliver goods to our locality. The tracks were last used in 1994.

C. Local Setting and Transportation Access

The Study Area is located on the site of the former Pennsylvania Railroad freight tracks, known as the Harsimus Branch Main Stem, operated by Conrail since the railroad consolidations of the 1970's. It formerly terminated easterly at the Harsimus Yards of the Pennsylvania Railroad, creating an impenetrable rail yard which impeded

the redevelopment of the northern waterfront for many years. For over a century the elevated railways at Sixth Street, Railroad Avenue (also Penn) and Tenth Street (Englewood Cliffs, Lackawanna), together with the commercial streets - Newark, Grove, lower Montgomery - , defined the neighborhoods and industrial districts of Downtown. The Warehouse District was then nestled east of Henderson Street between the two track lines of the Pennsylvania Railroad. As the customers served by the railroads moved from the waterfront and the land uses changed from industrial to commercial and residential, the railroad's properties became a drain on the City's finances and an obstacle to its physical and economic revitalization. Though the line had little purpose with regard to delivering freight to the Waterfront area, after the closing of spurs to the Collate and Manichevitz plants some ten years ago, through the end of 1994, Conrail still relied on it for its function as an extended siding- a giant K turn. Intermodal trains, up to two miles in length, were coupled together by backing sections of cars down from the Croxton yard, west of Tonnele Avenue, all the way down the Harsimus line, until they reached the Harsimus Yard at what is now Metro Plaza. They could then proceed north and continue west to Buffalo and ultimately Oakland, California. As the new Marion Junction came on line, trains could pass directly over the street grid and connect with the tracks west of Tonnele. The Harsimus Line tracks were finally de-commissioned by Conrail in early 1995 and the tracks and bridges once connecting the tracks have been removed. With the abutting lanes included, this site runs 100 feet wide by six city blocks in length presenting a significant swath of vacant land in a densely populated section of downtown Jersey City.

Situated at the bottom of the slope below the crest of the Palisades Ridge, running between two Historic Districts to within 4 blocks west of the Hudson River, the study area is close to the New Jersey Turnpike, US Routes 1 & 9, the Holland Tunnel. It is perpendicularly aligned to the city's major mixed use waterfront development projects and just a few hundred feet from the alignment of the NJ Transit Hudson- Bergen Light Rail transit system, in construction now. The thriving historic neighborhoods of Hamilton Park and Harsimus Cove flank it on the south and north. Its western end joins the Italian Village neighborhood and the parishes of Holy Rosary and Saint Anthony's. Towards the east and north are Hudson Exchange and Newport. A few short blocks south lies the Newark Avenue shopping district which is undergoing its own revival effort with UEZ sponsored facade enhancements and the new adoption of an historic commercial district.

Transportation Access

The Study Area is located near public transportation systems. Numerous bus stops are located on Newark Avenue, Grove Street, Jersey Avenue and Grove Street. The Path stations at Grove Street and Pavonia Avenue are within walking distance. The public transportation systems provide access to points across the city and offer bus and rail connections to points throughout the region.

D. Study Area Characteristics

Block 212 Lot M contains 30,000 square feet
Block 247 Lot 50.A contains 40,000 square feet
Block 280 Lot 50.A contains 38,000 square feet
Block 317 Lot 50.A contains 38,000 square feet
Block 354 Lot 50.A contains 38,000 square feet
Block 389.1 Lot 50 contains 38,000 square feet

The following information on assessment of the Study Area parcels was provided by The Jersey City Tax Assessor.

All of the above - captioned properties are assessed directly by the Director of the Jersey Department of Taxation and have been tax-exempt, in accordance with statute, through their years of operation as Class I Railroad property. This designation reflects that the property consists of the main and branch lines of the railroad.

Values for properties are based on several variables: 1) location; 2) topography; and whether or not the property has acceptable access. Also considered are contaminants such as asbestos, PCBs, chromate, etc. However, all six (6) properties total 192,000 square feet. Even if a minimal value of \$5.00 per square foot were placed on all six lots, the total assessment would be \$960,000 with taxes of \$40,176. This is based on the 1997 Tax rate for Jersey City of \$41.85 per \$1,000.00 of assessed value.

Each property would have to be thoroughly inspected to determine if any of the above mentioned problems exist to put a fair and accurate value on each individual site.

For comparison purposes, three blocks were chosen, at random, from three separate and distinct areas of the City- one in the Heights, one in Downtown and one in Greenville. The total area of these three blocks was calculated and then divided into the total assessed value of each block, yielding a per square foot taxable value number. The results are summarized below.

Table 1.

Comparison of Per Square Foot Property Values

	Heights Block 811	Downtown Block 277	Greenville Block 1369	Study Area
Size in Square Feet	137,379 sq.ft.	78,875 sq.ft.	83,411 sq.ft.	192,000 sq.ft.
Total Assessed Value (Land and Buildings)	\$7,545,900	\$5,409,000	\$2,651,500	\$960,000
Value per Square Foot of Property	\$54.93	\$68.58	\$31.79	\$5.00

Each tax lot is covered 100% at the base by the stone retaining walls of the former viaduct.

The Study Area contains 4.4 acres of land.

Massive stone retaining walls enclose earthen berms on four sides of each block long section. The westernmost blocks have a secondary, stepped in wall and reach heights over 40 feet. The easternmost block is no more than 25 feet in height with parts of the former wall removed from the sections near Marin Blvd. The walls consist of both basalt and sandstone blocks of various dimensions and irregular placement. Stones as large as 6 feet by 4 feet are interspersed with some as narrow as 18 inches by 24 inches. Weeds cover almost all the exposed soil atop the berming. The entire perimeter of each block's upper surface is enclosed by 6 foot cyclone fencing. There is also a complete path of alleys running the entire length of the embankment's southern wall from Brunswick Street through Jersey Avenue.

II. CRITERIA FOR DETERMINATION OF NEED FOR REDEVELOPMENT

The Study Area may be determined to be in need of redevelopment if, after investigation notice and hearing, as provided within NJSA 40A:12A-6, the governing body concludes by resolution that within study area, any of the following conditions are found:

- a. The generality of buildings are substandard, unsafe, unsanitary, dilapidated, or obsolescent, possess any of such characteristics, or are so lacking in light, air or space, as to be conducive to unwholesome living or working conditions.
- b. The discontinuance of the use of buildings previously used for commercial, manufacturing, or industrial purposes; the abandonment of such buildings; or the same being allowed to fall into so great a state of disrepair as to be untenable.
- c. Land that is owned by the municipality, the county, a local housing authority, redevelopment agency or redevelopment entity, or unimproved vacant land that has remained so for a period of ten years prior to adoption of the resolution, and that by reason of its location, remoteness, lack of means of access to developed sections or portions of the municipality, or topography, or nature of the soil, is not likely to be developed through the instrumentality of private capital.
- d. Areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.
- e. A growing lack or total lack of proper utilization of areas caused by the condition of the title, diverse ownership of the real property therein or other conditions, resulting in a stagnant or not fully productive condition of land potentially useful and valuable for contributing to and serving the public health, safety and welfare.
- f. Areas, in excess of five contiguous acres, whereon buildings or improvements have been destroyed, consumed by fire, demolished or altered by the action of storm, fire, cyclone, tornado, earthquake or other casualty in such a way that the aggregate assessed value of the area has been materially depreciated.
- g. In any municipality in which an enterprise zone has been designated pursuant to the "New Jersey Urban Enterprise Zones Act," P.L. 1983, c.303 (C.52:27H-60 et seq.) the execution of the actions prescribed in that act for the adoption by the municipality and approval by the New Jersey Urban Enterprise Zone Authority of the zone development plan for the area of the enterprise zone shall be considered sufficient for the determination that the area is in need of redevelopment pursuant to sections 5 and 6 of P.L. 1992, c.79 (C.40A:12A) and 40A:12A-6) for the purpose of granting tax exemptions within the enterprise zone district pursuant to the provisions of P.L. 1991, c.431. (C.40A:20-1 et seq.) or the adoption of a tax abatement and exemption ordinance pursuant to the provisions of P.L. 1991, c.441 (C.40A:21-1 et seq.). The municipality shall not utilize any other redevelopment powers within the urban enterprise zone unless the municipal governing body and planning board have also taken the actions and fulfilled the requirements prescribed in P.L. 1992, c.79 (C.40A:12A-1 et al.) for determining that the area is in need of redevelopment or an area in need of rehabilitation and the municipal governing body has adopted a redevelopment plan ordinance including the area of the enterprise zone.

III. REVIEW AND CONCLUSIONS

A review of the unique characteristics of the Study Area indicates that it qualifies as "area in need of redevelopment" as defined by NJSA 40A:12A-5, meeting the criteria of subsections b, d and e.

Although subsection "b" refers to buildings, not vacant land, it is applicable to this particular site since it is a walled edifice of considerable height and width enclosing a huge volume of packed landfill. This railway bed, which was once a considerable contributor to the commercial, manufacturing and industrial base of the City and region has now been abandoned. Its former use is no longer viable for this location and there is no possibility of reclaiming the site for this purpose. This great deficit of utility is exactly that envisioned in the statute in subsection "b".

The Study Area also meets the criteria outlined in subsection "d" since the primary transportation function of the right of way has effectively been discontinued. This subsection refers to ".....improvements which, by reason of dilapidation, obsolescence,.....faulty arrangement or design,....excessive land coverage, deleterious land use or obsolete layout.....are detrimental to the safety and welfare of the community." It is rather evident that the present condition of the viaduct's raised earthen ramparts meets all the above criteria of this subsection of the statute. Measurements confirm these lots are covered 100% by the railway stone walled viaduct. The longer these massive viaducts remain abandoned and unimproved, the more deleterious they will become to the public safety. Lack of determined maintenance will eventually create hazards from dislodged wood, metal or stone elements. The soils will likely subside and expand through severe weather cycles and then spill over the walls as mud or ice blocks. Weeds are already growing on the slopes creating opportunities for vermin and allergens. There can also be no doubt that this site will become an attractive nuisance that will entice adventurous youngsters to climb upon them and court disaster with careless behavior. Some sections are 25 feet high but there are likely hidden hazards on top of the mounds themselves. The common expectation that youths will eventually hurl objects down on cars and passersby below should not be discounted. All these above cited conditions are magnified by the traffic congestion, so evident in this study area, heading toward the riverfront as well as the tunnel. They clearly satisfy the statutory criteria of subsection "d" as evidence that the area is in need of redevelopment.

Subsection "e", which talks about a growing lack of proper utilization of areas caused by condition of title or other conditions resulting in stagnant or not fully productive condition of lands potentially useful and valuable for contributing to and serving the public health safety and welfare, can apply to this study area. You can find that the condition of title and the ownership of real property by a railroad entity has resulted in the stagnation of this study area. The land is clearly not fully productive. These properties

are owned by Conrail, which is a major corporation that has certain restrictions in its ability to function because of their potential sale that's coming up to CXS. Another functional restriction of Conrail relates to why it was formed some 15 to 20 years ago to provide a service and that is no longer viable in this study area or general waterfront vicinity.

In addition, Block 212, Lot M is presently part of the Luis Munoz Marin Blvd Redevelopment Plan area and Block 247 Lot 50.A is presently part of the Grove Street Redevelopment Plan Area and they are already designated as "areas in need of redevelopment. As part of this study it is recommended that they be taken out of the redevelopment plan districts and made part of the Sixth Street Study area and Sixth Street Redevelopment Plan area.

Based on the conclusions reached above, we find that the Study Area meets the statutory criteria as per NJSA 40A:12A-5, subsections b,d and e to be declared an "area in need of redevelopment" and we recommend that it be declared such in order to expedite its productive return to economic reuse.

We further recommend the adoption of a redevelopment plan outlining a program of rehabilitation to eliminate sub-standard conditions, arrest the deterioration of this steel walled viaduct and provide for an alternative re-use which will promote the overall development of the Study Area and surrounding community.

Respectfully submitted,

Robert D. Cotter, PP, AICP
Director of City Planning Division

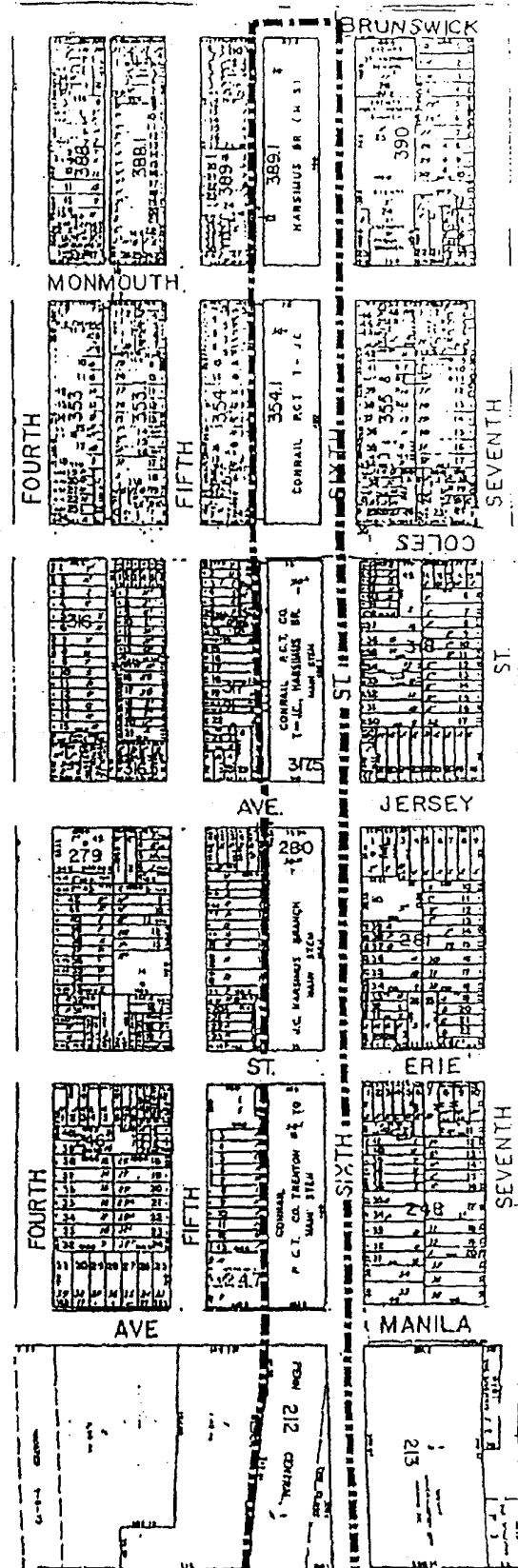
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SIXTH STREET STUDY AREA

BOUNDARY MAP



Date: 1997



**RESOLUTION OF THE PLANNING BOARD OF THE CITY
OF JERSEY CITY DETERMINING THE SIXTH STREET STUDY AREA
TO BE AN AREA IN NEED OF REDEVELOPMENT AND AMENDING
AND ADJUSTING THE BOUNDARY LIMITS OF THE GROVE
STREET AND LUIS MUNOZ MARIN BOULEVARD PLANS**

WHEREAS, the Municipal Council of the City of Jersey City has by Resolution authorized the Jersey City Planning Board to conduct a preliminary investigation and study of the conditions of an area known as "The Sixth Street Study Area" to determine if the area should be declared an area in need of redevelopment; and

WHEREAS, the purpose of this investigation was to determine whether or not this area meets the statutory criteria to be declared "an area in need of redevelopment"; and

WHEREAS, in preparation for the public hearing by the Jersey City Planning Board, the Division of City Planning prepared a report dated March 10th, 1998 regarding the Sixth Street Study Area; and

WHEREAS, the Planning Board of the City of Jersey City did conduct an investigation of the conditions existing in the Study Area and has reviewed and considered the report of the Division of Planning dated March 10th, 1998, at its meeting of March 10th, 1998; and

WHEREAS, it appears that due notice of a hearing in the above matter before the Planning Board of the City of Jersey City on March 10th, 1998 was duly served as prescribed by the applicable statutes and ordinance including notice to the Hudson County Planning Board; and

WHEREAS, the Planning Board did consider the report dated March 10th, 1998 as well as the testimony and comments of Robert Cotter, Director of the Division of City Planning of the

City of Jersey City and the comments of Councilman Mariano Vega and members of the public regarding this report and no one appearing in opposition to this determination; and after careful consideration has made the following findings of fact and reached the following conclusions:

(1) The Study Area is comprised of Block 212 Lot M, Block 247 Lot 50A, Block 280 Lot 50A, Block 317 Lot 50A, Block 317 Lot 50A, Block 354 Lot 50A and Block 389 Lot 50 and the alleys/lanes abutting these parcels to the south and running between Brunswick Street, Monmouth Street, Coles Street and Jersey Avenue. (all as is more particularly shown on a boundary map attached to the study report dated March 10th, 1998 prepared by the Division of Planning).

(2) Block 212 Lot M presently located in the Luis Munoz Marin Redevelopment Plan and Block 247 Lot 50.A presently located in the Grove Street Redevelopment Plan are included in the Study Area and the boundary limits of the Grove Street and Luis Munoz Marin Redevelopment Plans should be amended and adjusted to reflect the removal of these parcels from those plans and their inclusion in the 6th Street Study Area.

(3) The property located within the Study Area is owned by a single owner and was originally built for the purpose of conveying railroad cars to the waterfront.

(4) The railroad industry has ceased operation and the remaining structures and embankments are no longer utilized for railroad purposes and the railroad has recently removed the bridges mostly for liability purposes.

(5) The embankments themselves will eventually be replaced with a use more compatible with the character of the neighborhood.

(6) The purpose of the study would be to eventually have some control over how the property will be used and the area is presently essentially zoned R-2 under the zoning ordinance.

of the City of Jersey City.

(7) The statutory criteria for determination of need for redevelopment is set forth in N.J.S.A. 40A:12A-6 and the Board has determined that the Study Area meets the criteria of sub-section B, sub-section D and sub-section E of this statute.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Board of the City of Jersey City determines the Sixth Street Study Area to be an area in need of redevelopment for the foregoing reasons as well as the reasons stated in the report of the Division of Planning dated March 10th, 1998 as amended by the comments of Robert Cotter, Director of the Division of Planning on the record during the course of the hearing and by the Board during the course of the hearing and the Board recommends to the Municipal Council of the City of Jersey City that it declare the Sixth Street Study Area to be an area in need of redevelopment.

SUBJECT: RESOLUTION OF THE PLANNING BOARD OF THE CITY OF JERSEY CITY DETERMINING THE SIXTH STREET STUDY AREA TO BE AN AREA IN NEED OF REDEVELOPMENT AND AMENDING AND ADJUSTING THE BOUNDARY LIMITS OF THE GROVE STREET AND LUIS MUNOZ MARIN BOULEVARD PLANS

DATE OF HEARING:

March 10th, 1998

VOTE:

7-0

VOTING IN FAVOR:
COMMISSIONERS -

Acting Chairman Tooke
Vice Chairman Bromirski
Commissioner Kaplowitz
Commissioner Seale
Commissioner Williams
Commissioner McCullers
Commissioner Mayo

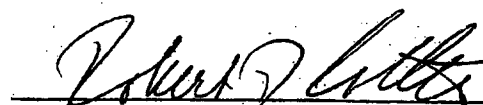
VOTING AGAINST:

None

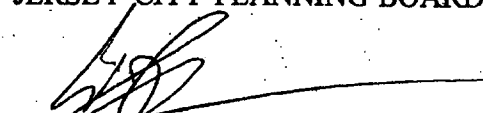
ABSTAINING:

None


GERALD SHEEHAN, Chairman
JERSEY CITY PLANNING BOARD


ROBERT D. COTTER, Secretary
JERSEY CITY PLANNING BOARD

APPROVED AS TO LEGAL FORM:


WILLIAM J. NETCHERT, ESQ.
JERSEY CITY PLANNING BOARD

DATE OF MEMORIALIZATION:

March 31st, 1998

Carolyn
f m
BB

Resolution of the City of Jersey City, N.J.

City Clerk File No. Res. 98-140

10.6

Agenda No. _____

Approved: MAR 11 1998



TITLE:

RESOLUTION OF THE MUNICIPAL COUNCIL OF THE CITY OF JERSEY CITY DECLARING THE SIXTH STREET STUDY AREA AN AREA IN NEED OF REDEVELOPMENT

WHEREAS, the Municipal Council of the City of Jersey City, has, by Resolution, authorized the Jersey City Planning Board to conduct a preliminary investigation to determine if the Sixth Street Study Area meets the criteria of New Jersey's Local Redevelopment and Housing Law, *NJSA 40A:12A-1 et seq.*, and can be declared an area in need of redevelopment; and

WHEREAS, the Planning Board, at its meeting of March 10, 1998, which meeting was properly noticed as required by law, did conduct an investigation into the conditions affecting the property in question, and did approve a motion to recommend to the Municipal Council that the referenced area be so declared; and

WHEREAS, the Planning Board's recommendation is based on evidence presented to them and contained in the Study Report prepared by the City Planning Division, and testimony of interested parties attending said Planning Board meeting; and

WHEREAS, the Planning Board did find, and so recommends to the Municipal Council, that the area in question meets the statutory criterion of *NJSA 40A:12A-5.b.c. and d.*;

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the City of Jersey City as follows:

1. That the Municipal Council finds that the Sixth Street Study Area meets the criteria established by *NJSA 40A:12A-5.b.c. and d.*; and
2. That these lots be, and hereby are, declared in need of redevelopment.

Robert D. Cotter

Robert D. Cotter, PP, Director
Division of City Planning

APPROVED: *[Signature]*

APPROVED AS TO LEGAL FORM

APPROVED: *[Signature]*

Business Administrator

[Signature]

Corporation Counsel

Certification Required ☐

Not Required ☐

APPROVED 9-0

RECORD OF COUNCIL VOTE ON FINAL PASSAGE 3/11/98											
COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.	COUNCILPERSON	AYE	NAY	N.V.
CAVANAUGH	✓			GAUGHAN	✓			COLON	✓		
DONNELLY	✓			VEGA	✓			DeBISE	✓		
BETTINGER	✓			HOLLOWAY	✓			SMITH	✓		

✓Indicates Vote

N.V.—Not Voting (Abstain)

Adopted at a meeting of the Municipal Council of the City of Jersey City, N.J.

[Signature]

President of Council

[Signature]

Robert Byrne, City Clerk

EXHIBIT S

CITY OF JERSEY CITY

BRET SCHUNDLER
MAYOR



CITY HALL
JERSEY CITY, NJ 07302
(201) 547-5200

July 7, 1999

James Hall
Department of Environmental Protection
State of New Jersey
Assistant Commissioner for Natural and Historic Resources
P.O. Box 402
Trenton, New Jersey 08625

Re: State Review Board Hearing on the Sixth Street Embankment

Dear Mr. Hall:

Please accept this letter as a formal objection by the City of Jersey City to the nomination of the Sixth Street Embankment to the State Historic Register by the State Review Hearing Board on June 9, 1999. It is my understanding that the Board's jurisdiction is limited to determine historic eligibility of a site, yet during the hearing there was no specific discussion of eligibility criteria, nor was there any discussion of the presentation of the City's consultant, Dr. Michael Alterman of Louis Berger Associates, as to the lack of historic significance of this site.

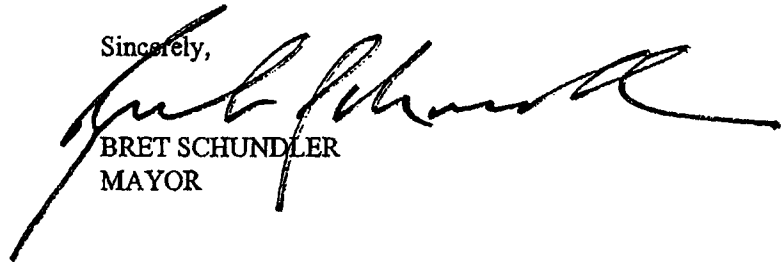
Dr. Alterman's extremely detailed presentation specifically addressed the issue of historic significance of this site. We fail to understand why the Board seemed to completely disregard the merits of the points he raised. In fact, according to my staff, there was no discussion at all relative to Dr. Alterman's presentation on behalf of the City. The attached summary represents the City's specific concerns as to what occurred at the hearing.

As you know, Jersey City celebrates its rich history and has worked hard to preserve significant structures which represent our history, including: the Apple Tree House, P.S. #2, and the Loews Theater. However, we respectfully disagree with the Board's opinion regarding the eligibility of this site. At a minimum, the Board should have considered alternatives to wholesale preservation of the embankment, including: partial preservation of the structure, or the creation of a historic park, as suggested by Jersey City. The fact that Board members were impressed with the preservation sentiment expressed by a select group of residents is irrelevant as to whether the embankment is legally "eligible" to be placed on the Historic Register.

James Hall
Page 2
July 7, 1999

After reviewing these facts, I am confident you will agree that the Sixth Street Embankment should not be placed on the State and National Historic Registers due to its ineligibility under the National Register Criteria for Evaluation. Thank you for your consideration of this request. If you would like to discuss this matter in further detail or visit the site, please contact me at (201) 547-5500.

Sincerely,

A handwritten signature in black ink, appearing to read "Bret Schundler", is written over the printed name and title.

BRET SCHUNDLER
MAYOR

BS:TG:jmt
Enclosure
cc: Dorothy Guzzo

OBJECTIONS

1. Pursuant to the Public Comment Guidelines, Dr. Michael Alterman, the City's consultant, gave a photographic slide presentation and expert testimony regarding facts that were not included in the nomination application. Dr. Alterman explained to the Board how the Embankment no longer serves its function to support a freight line; tracks and connecting bridges have been removed and the Harsimus Cove freight yards have been replaced by the flourishing Newport development. He stressed the fact that over the past thirty years, the Embankment has suffered from lack of maintenance and intrusive vegetation. He showed photographic slides of some portions of the remaining Embankment that are severely deteriorated and which show evidence of vandalism on the stonework and trespassing on the top of the Embankment. Photographic slides of other railroad embankments within Jersey City and surrounding communities demonstrated the Sixth Street Embankment's lack of distinction as an architectural feature. Despite this expert testimony and photographic slide presentation, the State Review Board did not ask any questions of Dr. Alterman or discuss his presentation, as they had stated that they would do prior to the Hearing.
2. The nomination application indicated that the Embankment forms a connection between two historic districts, Harsimus Cove and Hamilton Park. Yet historically this is incorrect. Rather than forming a link with either the Harsimus Cove or Hamilton Park Historic Districts, the Embankment was built with total disregard for the surrounding residential neighborhoods, its purpose being to transport freight as efficiently as possible through this area to the waterfront yards. Construction of the Harsimus Branch freight line and the Embankment specifically created a barrier, rather than a link, between the historic residential neighborhoods.
3. Prior to the commencement of the Hearing, the staff of the State Review Board distributed Public Comment Guidelines to everyone who attended the Hearing. Pursuant to Paragraph Two of the Guidelines, public comment must only address issues within the Board's jurisdiction in evaluating nominations. Subjects which the Board may not consider in its evaluation are economic issues or any other issue that does not directly address the National Register Criteria for Evaluation. Despite this language, the State Review Board allowed members of the Embankment Preservation Coalition to discuss economic issues and other issues which did not address the Criteria for Evaluation. For example, a member of the Coalition tainted the hearing by inaccurately stating that the study by Louis Berger & Associates, Inc. dealt solely with redevelopment of the Embankment.
4. In their report, Louis Berger & Associates, Inc. included a conclusions and recommendations section that deals with the project area on a block-by-block basis. Based upon an evaluation of an array of historic resource, architectural and aesthetic, engineering, environmental, socioeconomic, and development economic factors, this section concludes on a block-by-block basis what should be the major goals and preferred design choices for any redevelopment activity. For example, Block 212, which runs from Luis Munoz Marin Boulevard to Manila Avenue, contains the smallest and most seriously deteriorated section of the six-block embankment. It was determined that reconstruction of the embankment on this block was neither feasible nor prudent from many perspectives, including historic preservation. Photographic slides of the severe deterioration of this block were shown to the Board. Despite this block-by-block analysis of the Embankment and the photographic slides of the deterioration of this portion of the Embankment, there was no discussion among members of the Board regarding possible boundaries of the Embankment for placement on the State and National Historic Registers.
5. The City of Jersey City requested that Louis Berger & Associates, Inc. examine the feasibility of

6. The Deputy Attorney General (DAG) at the Hearing was Valerie Gray. She serves as the DAG for both the Historic Preservation Office (HPO) and for the State Review Board. We were informed by Sue Pringle of the HPO that Valerie Gray does not serve as a member of the Board, but is present at such meetings in purely an advisory capacity. At the Hearing, the DAG commented that she lived near the Embankment in her youth and made several improper comments to the Board regarding her opinion that the Embankment was a great structure and worthy of preservation
7. The National Register of Historic Places Registration Form was principally prepared by Richard A. James, who resides at 226 Fifth Street, Jersey City, New Jersey, which borders the embankment. He prepared the Form with the assistance of Bob Craig, a Historic Preservation Specialist with the New Jersey Historic Preservation Office (HPO). Mr. Charles Scott, a Principal Historic Preservation Specialist from the HPO, made the presentation before the State Review Board. A possible explanation as to why he made the presentation, rather than Mr. James, could be that a conflict of interest exists because Mr. James owns a residence within two hundred feet of the Embankment.